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JPRS-LAM-84-039

28 March 1984

Latin America Report

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28 March 1984

LATIN AMERICA REPORT

CONTENTS

ENERGY ECONOMICS

INTER-AMERICAN AFFAIRS

Nine More IDB Members To Join Proposed IIC (CANA, 5 Mar 84).....	1
1983 Figures Show Drop in CARICOM Exports to UK (Irvine Reid; CANA, 7 Mar 84).....	3
Barbados, Trinidad Joint Venture Announced (Irvine Reid; CANA, 9 Mar 84).....	4
OECS Education Ministers on UWI Restructuring (Peter Richards; CANA, 10 Mar 84).....	5
UN Information Center Release on ECLA Issues (CANA, 15 Mar 84).....	7

BARBADOS

Review of Developments in Stepped-Up Search for Oil (Trevor Yearwood; BARBADOS ADVOCATE, 16 Feb 84).....	8
---	---

BELIZE

Briefs	
Seismic Surveys	12
Diesel Price Increase	12

CHILE

ENAP To Invest \$7 Million for Oil Search in 1984 (Emilio Figueroa C.; TERCERA DE LA HORA, 4 Feb 84)..	13
---	----

MEXICO

Economic Impact of Transport Ships' Construction Noted (Jeanette Becerra Acosta; UNOMASUNO, 12 Jan 84).....	14
Beteta Reaffirms PEMEX Import Substitution Policy (Antonio Garza M.; EXCELSIOR, 10 Jan 84).....	16
Briefs Chiapas Hydrocarbon Reserve Possibilities	18

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

Use of CARICOM Currencies Proposed for Regional Trade (BARBADOS ADVOCATE, 10 Feb 84).....	19
Turks-Caicos Leader Takes 'Tax Haven' Plan to Bermuda (THE ROYAL GAZETTE, 27 Jan 84).....	21

BARBADOS

Over 15,000 New Voters on Rolls, Up 9.3 Percent (William Bradshaw; THE WEEKEND NATION, 17 Feb 84).....	23
Government Considering International Port of Registry Advantages (BARBADOS ADVOCATE, 12 Feb 84).....	25
Portrait of Opposition DLP Leader, MP Richie Haynes (Neville Martindale; THE WEEKEND NATION, 10 Feb 84)....	27
Chinese Agricultural Experts Exhibit Cultivation Gains (BARBADOS ADVOCATE, 18 Feb 84).....	30
Bank Leader Urges Government To Name Full-Time Trade Minister (BARBADOS ADVOCATE, 16 Feb 84).....	31
Controversy Attends Issue of Health Department Workers (BARBADOS ADVOCATE, 18 Feb 84; SUNDAY ADVOCATE, 19 Feb 84).....	32
Layoff of 200 Adams on Funds for Salaries NUPW Intervention NUPW Criticism of Adams Call for Minister's Resignation	

Briefs	37
Possible By-Election	37
New BMA President	37
U.S. Church 'Intrusion'	37

BELIZE

UDP Picks Division Candidate in Display of 'Democracy' (THE BEACON, 18 Feb 84).....	38
Vasquez Victory Analysis of Convention's Impact	
Robbery Attempt Raises Speculation About Political Angle (AMANDALA, 17 Feb 84; THE REPORTER, 19 Feb 84).....	40
'Aliens' in Orange Walk Gun-Running Suspicions	
AMANDALA Discusses Impact of Price 'Personality Cult' (Editorial; AMANDALA, 17 Feb 84).....	42
Report on Price Appearance at Corozal Civil Meeting (AMANDALA, 17 Feb 84).....	44
Belize Livestock Exports Gain, New Area Markets Found (BELIZE SUNDAY TIMES, 19 Feb 84).....	45
Briefs	
Canadian Grant	47

BERMUDA

Swan Comments on Talks Held During Visit to Washington (THE ROYAL GAZETTE, 7 Feb 84).....	48
PLP Scores Government Ban on School Debate Program (THE ROYAL GAZETTE, 7, 8 Feb 84).....	50
Party Press Release Ministry Reversal	
Role of Monetary Authority Provokes Senate Row (THE ROYAL GAZETTE, 16 Feb 84).....	52
Expanded Scope for Foreign Businesses Wins Approval (THE ROYAL GAZETTE, 26 Jan 84).....	54
Bank of Bermuda Profits Plummet; Impact Assessed (THE ROYAL GAZETTE, 9 Feb 84).....	56

Briefs		
Bermudianization Drive		58
'Race' Charge Against Swan		58
U.S. Nuclear 'Dumping'		58
Military Training in Jamaica		59
 BOLIVIA		
Municipal Elections Fail To Stir Up Political Interest (EL MUNDO, 9 Feb 84).....		60
Communist Influence Seen Behind Business-Government Fallout (Editorial; ULTIMA HORA, 2 Feb 84).....		62
COMIBOL To Increase Tin Production in 1984 (PRESENCIA, 7 Feb 84).....		64
 BRAZIL		
Ministers Divided in Support of Presidential Hopefuls (O ESTADO DE SAO PAULO, 19 Feb 84).....		66
CNPq To Diversify Partners in Area of S & T Cooperation (O ESTADO DE SAO PAULO, 19 Feb 84).....		71
War Materiel Exports Expected To Total \$2.5 Billion in 1984 (O GLOBO, 12 Feb 84).....		73
 CHILE		
Low Cost of Living Increase Reported for January 1984 (TERCERA DE LA HORA, 4 Feb 84).....		74
Low Consumer Price Index Interpreted (TERCERA DE LA HORA, 4 Feb 84).....		76
Briefs		
INE Report on Unemployment		78
 CUBA		
Internationalists Said To Number 15,000 Throughout World (Javier Rodriguez; CUBA INTERNACIONAL, Jan 84).....		79
Argentine Government Said To Be Under Heavy Pressure (Elmer Rodriguez; BOHEMIA, No 5, 3 Feb 84).....		83

EL SALVADOR

FENAPES Blames State Bank for Bankruptcies (EL DIARIO DE HOY, 15 Feb 84).....	86
SCIS Disagrees With Magana on FIGAPE Head Dismissal (DIARIO LATINO, 6 Feb 84).....	88
Productive Alliance Criticizes Foreign Ministry (EL DIARIO DE HOY, 15 Feb 84).....	89

HONDURAS

Briefs	
Four New Ambassadors	91
PINU Board of Directors	91

JAMAICA

Columnist Questions Investment Link to Political Views (Carl Stone; THE DAILY GLEANER, 22 Feb 84).....	92
Minister Says Country Must Settle Issue of Ideology (THE DAILY GLEANER, 18 Feb 84).....	95
Legal Interpretation Extends Voter Registration Period (THE DAILY GLEANER, 22 Feb 84).....	97
Canada Announces Assistance for Variety of Projects (THE DAILY GLEANER, 21 Feb 84).....	98
New Economic Measures Need Follow-Up Steps To Be Successful (THE DAILY GLEANER, 18 Feb 84).....	100
New Chairmen Named to Bauxite, Petroleum Boards (THE DAILY GLEANER, 21 Feb 84).....	103
Briefs	
PNP Queries	104
Audit Report Extracts	104

MEXICO

PSUM Central Committee Holds Third Plenum (UNOMASUNO, 21-23 Jan 84).....	105
Pablo Gomez Cautions, by Julio Hernandez Lopez Martinez Verdugo on Stipends, Cooptation, by Julio Hernandez Lopez	

<p>Cordera Speaks of Leftist 'Immaturity', by Julio Hernandez Lopez Crisis Seen Offering Opportunities, by Julio Hernandez Lopez Decision on Stipends; Plenum Ends, by Julio Hernandez Lopez</p>	
<p>PSUM Factional Leaders Discuss Party Weaknesses (Julio Hernandez Lopez; UNOMASUNO, 23, 24 Jan 84)...</p>	115
<p>Jaramillo: Breakdown of Unification Process Gascon Mercado: Insufficiently Representative Leadership</p>	
<p>Seven States To Hold Elections in 1984 (UNOMASUNO, 19 Dec 83).....</p>	121
<p>PAN, PSUM Denounce 'Caciquismo' of Ruling Party (Armando Sepulveda; EXCELSIOR, 17 Dec 83).....</p>	123
<p>Economist Cites Bank Document on Direct Foreign Investment (Jose Luis Cecena; EXCELSIOR, 18 Jan 84).....</p>	125
<p>PSUM Deputy Withholding Stipend Explains Positions (Julio Hernandez Lopez; UNOMASUNO, 3 Feb 84).....</p>	127
<p>Closely Held Party Document Reveals PSUM Financial Problems (Julio Hernandez, et al; UNOMASUNO, 2 Feb 84).....</p>	129
<p>Forced Government Worker Affiliation With PRI Charged (Elias Chavez; PROCESO, No 378, 30 Jan 84).....</p>	132
<p>PRONAL Head: Possibility of Two-Tier Tortilla Pricing (Nidia Marin; EXCELSIOR, 8 Feb 84).....</p>	134
<p>Church 'Social Secretariat' Reopens After 15 Years (Federico Ortiz Jr.; EXCELSIOR, 18 Jan 84).....</p>	136
<p>Archbishop Denies Provocations by Church (Francisco Santa Cruz; EXCELSIOR, 13 Jan 84).....</p>	138
<p>Bishops Denounce Government Corruption at Hermosillo Meeting (Francisco Santa Cruz M.; EXCELSIOR, 19 Jan 84).....</p>	139
<p>Briefs Tax Increase Affecting Foreigners</p>	140

NICARAGUA

Miplan Vice-Minster Explains 1983 Economic Growth (Nestor Avendano Interview: BARRICADA, 27 Jan 84).....	141
Micons Assesses Railroad, Salt Industry Projects (Leonardo Barreto; BARRICADA, 30 Jan 84).....	146
Accomplishments, Plans of Tobacco Program Outlined (BARRICADA, 30 Jan 84).....	148

NINE MORE IDB MEMBERS TO JOIN PROPOSED IIC

FL052253 Bridgetown CANA in English 2148 GMT 5 Mar 84

[Text] Kingston, Jamaica, 5 Mar (CANA)--Nine more members of the Inter-American Development Bank (IDB) have signalled their intention of joining the proposed Inter-American Investment Corporation (ICC), which will promote private sector development in the region.

According to the IDB, Austria, the Bahamas, West Germany, France, Israel, Japan, the Netherlands, Spain and Switzerland, yesterday signed the final act providing for the establishment of the corporation, joining 25 other nations that had done so in Rome last November.

The new corporation, which will be an independent international organization affiliated to the IDB, is designed to promote the economic development of the bank's regional developing member countries by encouraging the establishment, expansion and modernization of private enterprises.

The emphasis will be on those that are small and medium scale.

Enterprises with partial share participation by government or other public entities, whose activities strengthen the private sector of the economy, will also be eligible for financing by the corporation.

The corporation will make direct investments in those enterprises by purchasing shares or convertible debt instruments or by granting loans.

It will also be authorized to make indirect investments through other financial institutions to promote participation by other sources of funds through co-financing, loan syndications, joint ventures and the underwriting of securities and participations.

It will also be empowered to enter into other forms of association with individual companies such as licensing arrangements, market or management contracts.

The corporation will have an initial paid-in capital stock of 200 million U.S. dollars. The charter also provides for the board of governors to authorize the issuance of callable capital.

The Latin American countries as a group will subscribe 55 percent of the capital shares, with the United States taking 25.5 percent and certain non-regional member countries subscribing the remaining 19.5 percent.

The operations and funds of the new corporation will be kept completely separate from those of the bank.

However, the president of the bank, who serves as chairman of the bank's board of executive directors, fill the same role in the corporation. The bank's executive directors, representing countries which join the corporation, are also expected to serve on the latter's board.

CSO: 3298/1137

1983 FIGURES SHOW DROP IN CARICOM EXPORTS TO UK

FL080140 Bridgetown CANA in English 2303 GMT 7 Mar 84

[By Irvine Reid]

[Text] Bridgetown, Barbados, 7 Mar (CANA)--The 13-member Caribbean Community (Caricom) sold 15 million pounds sterling less to the United Kingdom last year and bought 50 million pounds more than in 1982, according to figures released here today.

The British High Commission said 1983 Caricom exports to the UK were valued at 292.4 million pounds as against 307.4 million in 1982.

Imports were put at 379.1 million dollars [as received] compared with 329.1 million pounds in 1982. However, this was 69.2 million pounds less than in 1981.

The Bahamas' exports to the UK totalled at 24 million pounds compared with 17.1 million pounds in 1982, while imports fell to 17.8 million pounds as against 26.3 million pounds in 1982.

Jamaica sold the UK 94 million pounds worth of goods compared with 92.7 million pounds worth in 1982 and imports from the UK more than doubled to 116.1 million pounds compared with 55.8 million pounds in 1982.

Barbados' exports to the UK last year were put at 11.8 million pounds compared with 14.6 million pounds in 1982 and UK imports stood at 31.9 million pounds compared with 35.4 million pounds in 1982.

Trinidad and Tobago sold the British 52.7 million pounds worth of goods compared with 65.1 million pounds worth in 1982 and imports were 146.8 million dollars a little below the 156.3 million pounds sterling in 1982.

Guyana's exports to the UK last year fell to 42.8 million pounds compared with 50.4 million pounds in 1982 and imports from the U.S. last year stood at 13.6 million pounds, not much different from the 13 million pounds of 1982.

Exports from Belize to Britain stood at 11.5 million pounds a drop from 13.3 million pounds in 1982 and imports were put at 8.7 million pounds compared with 10.4 million pounds in 1982.

BARBADOS, TRINIDAD JOINT VENTURE ANNOUNCED

FL100028 Bridgetown CANA in English 2259 GMT 9 Mar 84

[By Irvine Reid]

[Text] Bridgetown, Barbados, 9 Mar (CANA)--Barbados said today a cement plant, a joint venture with Trinidad and Tobago, will go into operation by mid-year, and the island hopes Caribbean neighbors will buy its output.

Prime Minister Tom Adams told reporters that the 200 million dollars (U.S.) plant would be finished in two months and that by mid-year it would be a commercial operation.

He said following a tour of the plant that he would be asking partners in the 13-member Caribbean Community (Caricom) to buy from the Arawak Cement Plant at the northern tip of the country.

"At the forthcoming heads of government conference (in July in the Bahamas) I will try to persuade the Antiguan Government to drop its reliance on Mexican cement for their own facility for bagging cement and try to persuade other Caricom countries to support this joint Barbados/Trinidad enterprise.

"...I should also say that because of the world recession, there has been a drop in construction activity in the western hemisphere and around the Caribbean and there is therefore a lot of cement around from Latin American sources on the market at the present time," the prime minister said.

The prime minister said that every step that could be taken had been effected to make sure that the cement plant is economically viable.

"But I have no doubt that the chairman and the board of the cement plant are fully aware of all the problems of exporting to Trinidad even though Trinidad is a joint shareholder, the problem of exporting within the region, the problem exporting outside the region and that they are in a position to come to good commercial decisions as to running the plant," he said.

He said that the government has entered into an agreement with Voest Alpine, an Austrian firm to take some of the surplus beyond the capacity of the Barbados and Trinidad and Tobago market. Adams said that for some years now because of the economic recession, he regretted that there had been some skimping on repairs of some Barbados Government buildings.

OECS EDUCATION MINISTERS ON UWI RESTRUCTURING

FL101533 Bridgetown CANA in English 1436 GMT 10 Mar 84

[By Peter Richards]

[Text] Roseau, Dominica, 10 Mar (CANA)--Education ministers from the seven-member Organization of Eastern Caribbean States (OECS) last night ended a two day meeting here reporting agreement on several matters, including establishment of a council to examine and monitor the University of the West Indies (UWI) restructuring program.

Dominica's Education Minister Charles Maynard, who chaired the conference, told reporters the ministers had deferred their decision on an offer by the British Virgin Islands' college to establish a centre for education in the region.

"We did not commit ourselves. We said this matter needed to be discussed with University of the West Indies and needed to be examined further by the ministers before we could make a considered response," Maynard said.

The meeting, the primary purpose of which was to deal with a proposed multi-island education project, decided that approaches should be made to regional and international organizations for further funding for the scheme.

The joint venture between the OECS and the British Virgin Islands envisages cooperation to secure needed audio-visual aids, science laboratory equipment and tools for vocational and technical programs.

Maynard said the ministers had discussions with Caribbean Development Bank (CDB) President William Demas during the meeting on a possible areas of budgetary help and "would be making further approaches."

On the restructuring of the UWI which will give a larger measure of autonomy to the three campus countries, Maynard said the OECS states, none of which have a campus, are concerned about how they can ensure more effective development of the tertiary institutions in their individual islands.

He said the OECS monitoring council will be made up of education ministers from the member states and among its functions will be to examine some of

the decisions that have been taken or will be taken on revamping the administrative structure of the UWI.

"We are satisfied that one of the things the restructuring must do is to ensure that small territories get greater benefits from the university," Maynard said.

The UWI is owned and financed by Caribbean governments. It has campuses in Jamaica, Trinidad and Tobago and Barbados.

Maynard said the ministers reviewed a report prepared for them by regional sports broadcaster Joseph "Reds" Peraeria dealing with sporting development in the Windwards and Leewards and agreed to "appoint a coordinator for sports in the office of the OECS."

This person will have as a key responsibility assisting the OECS to find funding for sporting activities in the member states--Antigua, St Vincent, Dominica, Grenada, St Lucia, St Kitts-Nevis and Montserrat.

Already the United Nations Educational Scientific and Cultural Organization (UNESCO) has provided 100,000 dollars (one E.A. dollar; 37 cents U.S.) to go towards recruiting a suitable person.

Maynard said the proposed United States withdrawal from UNESCO was not discussed at the meeting, but will be during today's gathering of Caribbean Community (Caricom) ministers responsible for education meeting here in caucus.

CSO: 3298/1137

UN INFORMATION CENTER RELEASE ON ECLA ISSUES

FL152146 Bridgetown CANA in English 1954 GMT 15 Mar 84

[Text] Port-of-Spain, Trinidad, 15 Mar (CANA)--A two-day North-South roundtable held at the Economic Commission for Latin America (ECLA) headquarters in Chile earlier this month, has proposed the establishment of a fund to promote petroleum exploration in Latin America.

A release from the Port-of-Spain-based United Nations Information Center for the Caribbean area today said the roundtable, held on 1-2 March, examined "global energy issues and their relation to Latin American energy policies."

It recommended that the fund be established in cooperation with the World Bank, the Inter-American Development Bank (IDB) and other Latin American energy-related institutions, the release said.

Participants stated that Latin America clearly had the opportunity to work towards a regional program to coordinate energy policy in such areas as intra-regional trade, inter-connection of electricity or gas and oil pipelines, and pricing.

Other areas mentioned were petroleum substitution, research, and development.

ECLA Executive Secretary Enrique Inglesias highlighted the importance of the north-south dialogue on energy issues at the roundtable which was attended by over 20 senior government officials from Chile, Colombia, Costa Rica, Peru, Uruguay, and Argentina.

This type of meeting, said Inglesias, fosters regional cooperation and energy planning.

CSO: 3298/1137

REVIEW OF DEVELOPMENTS IN STEPPED-UP SEARCH FOR OIL

Bridgetown BARBADOS ADVOCATE in English 16 Feb 84 p 4

[Article by Trevor Yearwood: "Search for Oil To Be Intensified"]

[Text] Barbados, a modest petroleum producer, is preparing to step up the hunt for oil, with the new target areas being the seabed and a rugged north-eastern district.

Just how soon the island will drill its first offshore well will depend on the completion of seismic surveys of areas off the west and north coasts and on what turns up.

But next May, the government, which has only one producing field and that's at Woodbourne in southeastern Barbados, will start drilling for oil in the hilly northeastern stretch called the Scotland District.

The plan is to drill 10 shallow exploratory wells in the Scotland District, to a depth of between 2,800 and 3,000 feet. Petro Canada International is financing the programme, which costs Can\$4 million.

How much oil is in the district is still unclear, but Energy Minister Clyde Griffith said the also unquantifiable offshore resources had "generated some excitement."

The state-owned Barbados National Oil Company (BNOC), which runs the small exploration programme, recently signed an agreement with the British firm, Cluff Oil, to conduct seismic survey and drill a well in an area about 25 miles off Barbados north coast.

The island is also involved in a seismic exploration project which Petro Canada's ship, the Bernier, is conducting in the Caribbean's "Tobago Basin," stretching off Barbados west coast to the coast of Tobago. The project also involves St. Lucia, St. Vince and the Grenadines, and Grenada.

"We know that there are indications of hydrocarbon deposits offshore, indeed in the entire Tobago Basin," Griffith said. "They are at water depths ranging from 2,000 to 6,000 feet.

"In Barbados we have only had one structural line done through seismic shots and that line has generated some excitement. What we need to do is to look and see exactly how best we can determine where wells should be drilled and how best we can define exactly what is there.

"That is part of the Petro Canada programme offshore. The other part is that we have just issued a licence to a company in Britain to not only do further seismic shots in one specific area but to drill a well in that same area to see exactly what is the nature of the hydrocarbon structure.

"It could be oil, it could be natural gas. Who knows? Also, drilling a well will help us determine whether or not it is economically feasible to produce from those depths in quantities that will make an investment worthwhile."

The technology for recovering oil 6,000 feet or more below the surface is already available, but getting the finance to develop the type of production system that must be used "can take from seven to 10 years," Griffith said.

"We've cut some of that time out by having some designs made by British firms," Griffith remarked.

Representatives of the British high-technology firms, including British Steel, Dunlop, Pirelli and Havron, met in Barbados last January to review options for recovering oil and gas. The group said it could be some time before Barbados got around to drilling its first offshore well.

So far Barbados has drilled 88 on-shore wells, 57 of them under the U.S.-owned Mobil Oil Company, which handled the exploration programme here until mid-1979. The plan is to drill 20-24 wells a year.

Barbados is now producing 1,500 Barrels Per Day (BPD), more than double the 650 BPD when BNOC took over from Mobil, and roughly 200 BPD above last December's figure.

Last year Barbados produced 380,000 barrels of oil and the government expects to push production to 520,000 barrels by the end of 1985.

Explaining the stepped-up production, Griffith said: "We're drilling more wells. There is a greater efficiency in the well-drilling equipment they have. Once before they were drilling one and a half wells a month and now they're drilling two wells a month."

He added: "They're drilling in an area now where they're very satisfied with the kind of structures they're getting."

Under Mobil, Griffith said, "we were producing about 650 barrels per day. We were not satisfied that they were doing their best to help Barbados. If you understand the nature of multinationals, then you understand why they were so indifferent to what our domestic needs are.

"They were more interested in what their own corporate requirements are, what their shareholders are interested in, what their strategy for operating is

going to be, and therefore they were more interested in stockpiling for their international operations."

It was said Griffith, "a clash of priorities," with Mobil regarding the operation here as marginal, and the government viewing it as "very significant."

Petro Canda has played a key role in the oil recovery programme, providing manpower, technical assistance and training. It is offering its services in the procurement of Canadian field equipment and materials under a Can\$6 million line of credit Ottawa extended to Barbados recently.

One result of the acceleration in the rate of oil recovery has been the sharp cutback in the island's fuel import bill.

Barbados spent Bds\$92.6 million on imported oil in 1981, Bds \$74.1 million the following year, and about Bds \$56 million last year. Government officials are forecasting a further decline this year.

Production, now at its highest, is expected to reach 2,000 BPD by April, according to the government's projections. That would be half the current demand for oil.

In spite of industrial expansion, the demand has been relatively stable at between 3,500 and 4,000 Barrels Per Day for a number of years.

This, said Griffith, is because basically Barbadians are "very responsible people when it comes to the use of energy." Last September the Government launched a conservation project aimed at having the national energy consumption trimmed by up to 15 percent yearly.

The stepped up oil extraction has triggered some problems however.

"Our success has created some difficulties--a problem of storage," said Griffith. "The agreement with Mobil (Barbados lone refinery) calls for daily production of 1,000 barrels, that's the sales agreement.

"This means that Mobil is bound to accept 1,000 Barrels Per Day. Because it has to run the imported cocktail (a petroleum mix) on a different run from the local crude simply because the local crude does not generate asphalt, then it presents a problem of storage.

"We have found that the Mobil refinery has some difficulty in absorbing the kind of production that we have been experiencing in the recent past. What we are doing now is looking at a tankage programme at Graves End (near Bridgetown) where we will give Mobil permission to increase their tankage and remove some small tanks and obsolete tanks from the area.

"This increased tankage would go a long way towards accommodating the increased production at Woodbourne and also have an environmental impact on the area (Graves End) because some of the old tanks would be removed."

The refinery has been a bone of contention between the government and the parliamentary opposition, which suggested it be closed down and Barbados meet its oil demands through imports from Trinidad and Tobago.

Griffith said the government was not prepared to shut down the refinery unless it was sure of supply sources. (CANA)

CSO: 3298/560

BRIEFS

SEISMIC SURVEYS--The Ministry of Natural Resources has granted a licence to a US based company, Western Geophysics company of America, to conduct seismic surveys offshore Belize in the Toledo District. As a prelude to petroleum exploratory drilling, to be undertaken by two companies. Central American Exploration (CAXCO) and Marathon Petroleum Company. The survey commenced on the 16th February and should be completed on the 27th February. The seismic survey is being conducted from a modern vessel equipped with the latest seismic recording instrument, modern navigational equipment, including equipment for satellite navigation and communication facilities with computers. [Text] [Belize City DISWEEK in English 17 Feb 84 p 4]

DIESEL PRICE INCREASE--Radio Belize this week announced an increase of twenty-five cents (25) in the price of diesel fuel per US gallon. The new diesel pump price in Belize City is now \$2.90. The reason given was due to the supply on demand on the market during the severe winter season that is being experienced in the United States and Europe. The increase will most definitely affect the consumer in such areas as transportation etc. It will also reflect an increase in the "P" charges of our electricity bill. The present charge of 14 cents per kilowatt hour will be increased to 15.5 cents, that is 1.5 cents up, according to an official from the Belize Electricity Board. This will, however, appear in our bills for February-March. The consolation here is that the increase will be reduced as soon as the supply on demand for fuel decreases. That is forecasted to be in two to three months time. [Text] [Belize City DISWEEK in English 17 Feb 84 pp 1, 11]

CSO: 3298/563

ENAP TO INVEST \$7 MILLION FOR OIL SEARCH IN 1984

Santiago TERCERA DE LA HORA in Spanish 4 Feb 84 p 11

[Article by Emilio Figueroa C.]

[Text] Punta Arenas--ENAP [National Petroleum Enterprise] is doing intensive exploration throughout national territory to find new hydrocarbon reserves. It is investing \$7 million in this in 1984.

Salvador Harambour, substitute manager of ENAP-Magallanes, stated that geological elevations are being started in the far north and in the area from Osorno to Llanquihue. This is the first stage in the search for new resources. He added: "In the coming months, we hope to stipulate or determine the equipment needed for seismic exploration on land in those two places."

In the North

The projects in the far north are between Salar de Atacama and the Peruvian border.

He explained that the program also includes offshore projects in three already defined sectors: around Isla Mocha, Arauco; in the Valdivia basin and in the Gulf of Penas.

Harambour stated: "There is a budget of \$7 million for 1984. This could be modified or increased as results advise." He revealed that these policies have been worked out with the National Energy Commission and the Ministry of Mines.

Cape Horn

The substitute manager of ENAP-Magallanes reported that ENAP also did exploratory work at Cape Horn. He revealed: "At this time, we have a group of geologists at what we call the Diego Ramirez basin to complete some research that will permit us to work on future projects."

He added that the sector should be reevaluated by this winter. "We feel that the next project would be drilling a well. Given the climatic sea conditions at Cape Horn then, these are big words. It will require very careful planning."

ECONOMIC IMPACT OF TRANSPORT SHIPS' CONSTRUCTION NOTED

Mexico City UNOMASUNO in Spanish 12 Jan 84 p 7

[Article by Jeanette Becerra Acosta]

[Text] Mexico increased its oil fleet to 270 units with the acquisition of new flagships in 1983 including two Spanish tankers with 44,500 tons deadweight. This fleet will cover the 10,000 kilometers of national coasts and the more than 2 million kilometers of territorial sea this year.

The Mexican oil fleet had only one ship, the "San Ricardo," in 1938. In this new stage of expansion, it can transport more than 7 million barrels of oil and derivatives per trip, all in 37 tankers whose joint capacity totals more than 1 million tons deadweight and a volume equivalent to 55,500 hogsheads.

The subsidiary fleet has 230 units: 32 tugs, 49 launches for mooring and transfer, 149 scows and 1 dredger. The parastate enterprise also increased its freight capacity in 1983 by increasing its power to more than 60,000 horsepower. This will permit it to transport 430,000 barrels of hydrocarbons and other related cargo per trip.

It should also be pointed out that the needs of the country to transport its oil by sea as well as to save foreign currency and develop the Mexican shipping industry led to the signing of a contract last year between the parastate enterprise and AUVER [United Shipyards of Veracruz] for the construction of four tankers of 44,500 tons each.

During the welcoming ceremony for the first tanker constructed in Spain, "Lazaro Cardenas II"--the second called "Guadalupe Victoria" was delivered 2 months ago--Mario Ramon Beteta, general director of PEMEX [Mexican Petroleum], said that the construction of four of these ships in Mexico "will guarantee an important use of steel, pipe, electrical material, pumps and other capital assets. This will benefit the auxiliary industries, generate employment and result in more national materials and equipment in the ships planned in the medium and long term."

At the time of the oil expropriation, PEMEX had a maritime freight capacity of 69,000 barrels of oil. In subsequent years, it bought Norwegian and Italian ships and one Cuban ship. In spite of the loss of five tankers during World

War II, PEMEX increased the tonnage of its fleet from 15,500 tons in 1938 to 54,030 in 1941 and 133,000 in 1958. After renovation in 1965, the fleet continued increasing until it reached last year's figure, an estimated 1,014,665 tons of gross registry.

Now 51 percent of the main oil fleet has an average age of 5 years and the remaining 49 percent has an average of 15 years. Therefore, the purchase of six new ships with the capacity to transport 50 million liters of oil or derivatives each and an autonomy of 15,000 nautical miles powered by 14,400 horsepower will mean a solid increase in fleet capacity. Their 270,000 tons of deadweight will equal 30 percent of the total PEMEX now has.

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CSO: 3248/426

BETETA REAFFIRMS PEMEX IMPORT SUBSTITUTION POLICY

Mexico City EXCELSIOR in Spanish 10 Jan 84 pp 4-A, 27-A

[Article by Antonio Garza M.]

[Text] Mario Ramon Beteta, general director of PEMEX [Mexican Petroleum], said that the import substitution policy will be pursued in 1984. It will only buy from Mexican manufacturers of equipment and materials that guarantee the high quality that PEMEX requires.

He said this at a meeting with Jacobo Zaidenweber, president of the Confederation of Chambers of Industry. He urged the businessmen in the country to participate in the manufacture of the equipment and materials that must now be imported.

The official recalled that, in the last 6 months of 1983, our country's purchases reached about 90 billion pesos, some 15 billion pesos of which were for import substitution.

Purchases for the entire year totaled more than 120 billion pesos. There were adjustments in the first 6 months due to the critical national situation.

In 1984 the import substitution policy will increase. The productive apparatus of the private sector will have an influence on this by providing the quantity and quality of equipment and machinery PEMEX requires.

At the meeting held yesterday in Mario Ramon Beteta's office, it was announced that the suppliers will be paid within 90 days of delivery of their products.

He also told the industrialists that PEMEX has established a financing system for Mexican industry so that it can produce what PEMEX needs for maintenance and development.

He said that the PEMEX import substitution policy is consistent with the National Development Plan and the Immediate Program for Economic Reorganization. Its purpose is to support national industry through the purchasing power of PEMEX.

Purchasing Program for Five-Year Period

Beteta said that PEMEX will announce next February the annual needs for equipment and material for the 5-year period 1984-88 to support concrete actions for industrial development.

The list mainly includes imported equipment and materials and those that, due to the large volume required, might surpass national installed manufacturing capacity.

He stressed that meetings will be held every 90 days between PEMEX officials and the industrialists to adapt the purchasing programs and solve problems that occur.

The official pointed out some of the outstanding points of the import substitution policy like systematizing information on the demand for capital assets and repairs.

It incorporates the criterion of import replacement in the initial stages of its new projects in order to also involve engineering firms.

At the same time, it standardizes its purchasing procedures by purging the suppliers register. It will pay within 90 days, make larger deposits and sign 1-year supply contracts. It will create a financial support mechanism for national manufacturers that replace imports.

There will also be consultation forums with national manufacturers and agreement mechanisms including the Joint Consultation Committee on Supplies and the Import Substitution Committee.

7717
CSO: 3248/426

BRIEFS

CHIAPAS HYDROCARBON RESERVE POSSIBILITIES--Tuxtla Gutierrez, Chiapas, 19 Jan--According to PEMEX charts and technical reports, there are high possibilities of the existence of hydrocarbon reserves in 90 percent of the territory of this state and huge fields have been located in the Lacondana jungle (which includes Marquez de Comillas and the border strip with Guatemala), the coast, Soconusco, Tuxtla, Margaritas on the central plain and Simojovel on Los Altos. This was announced by Deputy Arturo Morales Urioste, chairman of the Standing Committee of the 55th Congress, and Roberto Thompson, of the Southeast Ecological Research Center. The state covers an area of 74,211 sq km divided into 110 municipalities where hydrocarbons exist, based on PEMEX studies. Drilling currently being done by PEMEX technicians on the border with Guatemala has shown--oil and related gas have been obtained--that there is an immense potential of hydrocarbons that penetrate Central America. Therefore, whichever of the two nations begins to extract the wealth from the subsoil will benefit the most. In this regard, the Guatemalan newspaper PRENSA LIBRE recently alerted that nation to intensify its work in El Peten to extract that wealth before Mexico does it. [Excerpt] [Mexico City EXCELSIOR in Spanish 20 Jan 84 pp 4-A, 20-A] 9925

CSO: 3248/452

USE OF CARICOM CURRENCIES PROPOSED FOR REGIONAL TRADE

Bridgetown BARBADOS ADVOCATE in English 10 Feb 84 p 1

[Text] Caribbean Community (CARICOM) Governments should seriously examine the potential for using regional currencies for at least partial settlement of intra-Caricom trade transactions.

The suggestion has come from the regional private sector organisation, the Caribbean Association of Industry and Commerce (CAIC). It was among proposals put forward by that organisation in a paper presented to the Joint Consultative Group of Caricom at their meeting last month.

Pat Thompson, Executive Director of the CAIC, told a press conference yesterday that his organisation was realistic enough not to be advocating any form of monetary union with Caricom.

"We do not think this is possible at the present time but we have reason to think that the technicians would be willing to enter into a serious examination of using regional currencies for settling at least a portion of intra-Caricom trade transactions," Thompson submitted.

But he felt that what was needed now was the political will and precision to get a study seriously underway.

Thompson also suggested that a serious effort be made to restore the Caricom Multi-Lateral Clearing Facility (CMCF), with appropriate reform and the safeguards to prevent recurrence of some of the problems that had brought it to its current halt.

The CAIC Executive Director felt there should be better enforcement machinery to determine whether the Caricom Rules of Origin were being breached.

Thompson said the difficulties being caused by licensing arrangement against Caricom goods, the use of quantitative restrictions and other non-tariff barriers suggested that three steps be taken, in a phased way, to start to relieve the problem of market access in Caricom. He said there should be:

A freeze on any new licensing or other non-tariff barriers within Caricom;

Immediate establishment of priority procedures for Caricom transactions and;

Agreement on a time-table for rolling back and eventually eliminating licensing arrangements insofar as they apply to Caricom trade.

Thompson urged Caricom Governments to take the initiative in implementing some concrete steps to stop the current drift of intra-Caricom trade or there would be some danger of Caricom itself falling apart.

"Already, we see many manufacturers within the region beginning to say that a regional market effectively no longer exists, and some of them are tending to retreat into protectionism--having their own local domestic markets protected--and abandoning any serious attempts to trade regionally," Thompson noted.

CSO: 3298/559

TURKS-CAICOS LEADER TAKES 'TAX HAVEN' PLAN TO BERMUDA

Hamilton THE ROYAL GAZETTE in English 27 Jan 84 p 3

[Text] Bermuda is being invited to join other offshore "tax havens" in drawing up a common response to the Americans' Caribbean Basin Initiative (CBI).

Mr Stafford Missick, Development and Commerce Minister of the Turks and Caicos, will put the proposal to Premier the Hon. John Swan at a meeting between the two men today.

The Turks and Caicos launched the idea earlier this month in the wake of mounting US pressure on them, the Caymans and the Bahamas.

"We are suggesting that a meeting between all of us be convened at some point in time so that we can formulate a common response," said Mr Missick.

"What the CBI is all about is that the US wants an agreement with these countries where by we would be obligated to disclose certain information at the request of the IRS.

"As you know, in offshore financial centres like Bermuda the question of confidentiality is basic. People only come here and do business because they can do it in confidence.

"If we were to yield on that particular point then we might as well close shop."

The Turks and Caicos have already told the US that it is not interested in the CBI, said Mr Missick. "We have said thanks but no thanks.

"What we should talk about now is where we go from here. Specifically, what we have to determine is the procedures whereby the US can have access to certain information in criminal cases, but only where they can prove that such a case exists."

The CIB offers Turks and Caicos no benefits, said Mr Missick. Bermuda and the Bahamas, on the other hand, stand to gain valuable tourist dollars if American firms are given tax concessions on conventions held in the islands.

Mr Missick's talks with the Premier also include proposals for closer ties between the islands.

"Bermuda interests us as a model as far as tourism and tax havens go and we hope to learn a lot from your experience here. We feel that you are at a stage of development now where we can benefit from a spillover," said Mr Missick.

Mr Missick visited Bermuda in 1981 as part of a delegation from the Turks and Caicos.

CSO: 3298/559

OVER 15,000 NEW VOTERS ON ROLLS, UP 9.3 PERCENT

Bridgetown THE WEEKEND NATION in English 17 Feb 84 p 1

[Article by William Bradshaw]

[Text] Barbados now has 15,454 new voters on its voters register.

The register which was released earlier this month by the Electoral Office shows a current figure of 182,483 registered to vote, a 9.3 percent increase over the 1981 figure of 167,029.

According to the figures ten constituencies--four in St. Michael, three in Christ Church, and one each in St. Philip and St. James, and the controversial St. Peter constituency have shown double figure percentage increases.

St. Peter, currently represented by ailing Speaker of the House of Assembly, Mr Burton Hinds, has recorded a 10.5 percent increase, the roll rising to 7,309 registered to date compared to the 6,796 for 1981.

St. James South, a constituency held by Democratic Labour Party member, Keith Simmons, shows the highest percentage increase of 13.6 percent, a total of 6,007 registered as against 5,290 in 1981.

The register's roll has grown in St. Michael East, whose representative Dr Don Blackman's political future looked uncertain after he was dismissed as Minister of Health by the Prime Minister last year. The list has 6,400 registered, 612 more than in 1981--a 10.6 percent rise.

St. Michael South East, St. Michael North and St. Michael North West, were the other suburban constituencies with percentage increases above ten.

In Christ Church the West Central, East Central and East constituencies have all shown increases over ten percent. Christ Church West Central has a current record of 8,391 registered, 877 more than 1981, an 11.7 percent rise; the East Central constituency has 6,734 registered now, 776 more than the previous figure of 6,004--a 12.2 percent increase; while the East constituency's registered votes now stand at 7,763, an 11 percent rise over the 1981 figure of 6,997.

St. Philip South, the other constituency to have recorded two digit percentage increase, has a current register of 6,597 voters, 619 more than 1981--a 10.4 percent rise.

The voters' register, released about the middle of the ruling party's five-year term in office, shows that there are 97,901 women registered to vote, versus the 84,854 men eligible to vote.

According to the latest population figures--at the end of 1982, 182,483 persons--72.7 percent of the population--are registered voters.

CSO: 3298/562

GOVERNMENT CONSIDERING INTERNATIONAL PORT OF REGISTRY ADVANTAGES

Bridgetown BARBADOS ADVOCATE in English 12 Feb 84 p 1

[Text] The Ministry of Transport and Works in consultation with the Barbados Port Authority, is currently looking into the possibility of promoting Barbados as an International Port of Registry.

In view of the recently enacted Shipping Act (1981-19), the Shipping (Incentives) Act (1982-39) and the International Business Companies (exemption from Income Tax) Act, it is believed that Barbados has the necessary legislative foundation upon which the establishment of an International Port of Registry can be based.

These acts, among other things, give to the minister, the power to grant income tax and duty free concessions which should prove attractive to shipowners looking for flagging out opportunities.

There are several categories of vessels which can qualify for registry in Barbados. A ship qualifies for registration if two-thirds of the shares in the ship are owned by citizens of Barbados or by Barbadian shipping companies.

The Minister however has power to grant registry to ships on which two-thirds of the shares are owned by Caricom people and operated as home-trade ships of 100 gross register tons or more.

The minister can also grant registry to foreign-going ships of 500 gross tons or more, regardless of the nationality of the owners, which are engaged only in foreign-going trade.

"Pleasure yachts" which are being used exclusively for pleasure and not carrying passengers or cargo for hire or reward, and fishing boats registered under the Fishing Industry Act, also qualify for registration.

Barbados stands to benefit greatly from the establishment of such a regime. To begin with, it should provide for the inflow of investment capital into the country.

Revenue will be earned from funds to be collected as registration and other related fees.

In addition, for a largely tourist-oriented country like Barbados, the publicity to be gained by foreign ships flying the national flag, would be a major boost to the tourist industry.

The registration of foreign ships should also provide employment and training opportunities for Barbadian seamen. Young aspiring seamen with the appropriate qualifications can register as cadets on these vessels and gain on-the-job training while receiving a nominal wage.

The Ministry is now in the process of reviewing a proposal outlining the work to be undertaken, the probable sequence of events and the expected cost of such a venture.

CSO: 3298/562

PORTRAIT OF OPPOSITION DLP LEADER, MP RICHIE HAYNES

Bridgetown THE WEEKEND NATION in English 10 Feb 84 p 8

[From the "A Point on Politics" column by Neville Martindale: "It Takes Time To Get to the Top"]

[Text] The question of leadership of the Opposition Democratic Labour Party (DLP) surfaced prominently again two Sundays ago. It was on David Ellis' Point At Issue programme over Voice of Barbados (VOB) when Dr Richie Haynes, Member of Parliament for St. Michael South Central, and shadow minister of finance and planning, was being interviewed.

The programme's allotted 30-minute period, the questions posed by Mr Ellis and the answers elicited, constituted a complete expose of Dr Haynes' political and parliamentary style, his motivations, and ambitions, whatever they might be.

The truth is that many Barbadians are of the opinion that Dr Haynes would like, some day, to become the leader of this country. But when this question was directly put to him, Dr Haynes handled it in a somewhat diplomatic and evasive manner, not committing himself to any specific aspiration to this political goal.

During the interview, Dr Haynes also made the point that, for a leader to win an election, he must have the confidence of his parliamentary group, the party supporters, and a wide cross-section of the community.

Those remarks by Dr Haynes were quickly "picked up" by Leader of the House of Assembly and Minister of Parliamentary Affairs, Mr Lionel Craig, and thrown into a debate at a meeting of the House the following Tuesday.

And Mr Craig made the deduction that the remarks were a reflection on Opposition Leader, Mr Errol Barrow, who is also political leader of the DLP.

The parliamentary affairs minister took the view that since Mr Barrow unsuccessfully led the DLP into two general elections--in 1976 and 1981--he did not enjoy the confidence of the individuals and sections of the community stated above.

Characteristic

Mr Craig, in his characteristic and aggressive style, said: "It is uncharitable, to say the least, that a man who has made such a great contribution to this country, has lost the respect of his colleagues."

That was the stand that the BLP minister took on that issue. There is no doubt that his aggressiveness in debate becomes too uncontrollable for a public figure. But that is the man. And one can sense the sincerity that underlines many of his utterances.

There are two men in the House who send Dr Haynes into retreat when they attack him in a fiery debate: They are Mr Craig, and the Attorney General and Minister of Foreign Affairs, Mr Louis Tull.

It is fair to say that Dr Haynes faces Prime Minister Tom Adams squarely in crossing swords in verbal attack, and battles to the end, regardless of who is the eventual victor.

But what Dr Haynes said about winning an election is an absolute fact. He forgot another important ingredient for electoral victory: the finances at the command of the party.

For the DLP, its president, Mr Branford Taitt, who is also Member of Parliament for St. Michael West, has put in yeoman service at the finance raising and organisational levels.

Much work continues to be required at those levels in both major political parties--long before election time. In the BLP ranks, a great deal is expected in this regard from Mr Aaron Truss, MP for St. Michael Central, who is a former general secretary of the party.

It came across in the interview that Dr Haynes is the most prolific writer of DLP press releases, and that these cut across the portfolios of other shadow ministers.

The most recent case in this regard, has to do with the cadavers for the off-shore St. George University School of Medicine, about which he has written and said so much.

Consultation

Dr Haynes had stated in the interview that there was prior consultation with the shadow minister of health, Mr Lawson Weekes, Member of Parliament for St. Michael North West, under whose shadow portfolio this highly controversial matter falls.

I recall, too, that there were occasions when Dr Haynes also issued press releases on matters pertaining to energy, which comes under the responsibility of Mr Taitt's shadow portfolio.

When Dr Haynes was pressed for an explanation of his action as it related to the releases on those portfolios, he said that his shadow portfolio of finance and planning, impinged on many other portfolios.

Just as Prime Minister Tom Adams does not arrogate to himself the right to issue press releases for all the ministerial portfolios that come under the purview of the Cabinet over which he presides, and is primus inter pares (first among equals), Dr Haynes should not do so on behalf of the DLP which is still in Opposition.

At this stage of Barbadian politics, the DLP must demonstrate that it is a cohesive political force in this country.

It must also be seen as making a bold effort to "keep the Government on its toes," and reaching high points in debates as should be the case with the cadavers whenever the relevant and promised legislation reaches the House of Assembly.

Despite the criticisms about Mr Barrow's age--he is now 63--it seems to me that a majority of Barbadians would feel at ease under his leadership if his services were required at this level again.

Although some politicians are endowed with high intellect and show outstanding political promise, it takes time to emerge to the top.

CSO: 3298/561

CHINESE AGRICULTURAL EXPERTS EXHIBIT CULTIVATION GAINS

Bridgetown BARBADOS ADVOCATE in English 18 Feb 84 p 1

[Text] Agriculture Minister Dr Richard Cheltenham said he was hoping that some of the techniques being used by a team of Chinese agricultural experts at the Home Station, St. Philip, will be transferred to the local farming community.

Dr Cheltenham told reporters the Chinese were using labour intensive techniques and were emphasising the use of "pen manure" in their operations.

Dr Cheltenham spoke to the press yesterday after a tour of the station where the eight experts are growing a number of Chinese vegetables at the Government-owned station. The project is being concentrated on three acres of land.

Dr Cheltenham was accompanied on the tour by a team of officials from his Ministry.

He said the Chinese were about to reach out to the local farmers and were hoping to spend at least three half-days every week with farmers in the nearby districts.

Dr Cheltenham said that Government had plans to take over the project when the Chinese completed their work.

The Minister added the local farmers had been exposed to a wide range of new vegetable seeds from China and in another year or so the experts will be giving demonstrations on how to cultivate the vegetables.

The Chinese arrived in Barbados last April and their work, a cooperative agreement between China and Barbados, will run for two years.

So far they have marked Bds \$40,000 worth of vegetables from the project.

CSO: 3298/562

BANK LEADER URGES GOVERNMENT TO NAME FULL-TIME TRADE MINISTER

Bridgetown BARBADOS ADVOCATE in English 16 Feb 84 p 1

[Text] Outgoing president of the Barbados Manufacturers Association (BMA) Mr Henry Vieira has called on Government to treat trade and industry in much the same way as it had done for Agriculture, with a full-time Minister.

He also called for the promotion of joint ventures; an end to the regional trade problems and suggested that Government reaffirmed its commitment to the manufacturing sector.

Mr Vieira who headed the BMA for the past two years, said it was evident that there was no real "hardcore" commitment to the manufacturing sector, arguing that the best example of this was that manufacturers have to share a Minister with Tourism, another vital sector in the economy.

According to him: "Why cannot industry be treated like Agriculture and be given a full-time Minister?"

Mr Vieira said that manufacturers must seek, and Government through its agencies, must promote marketing joint-venture ties between local companies and those in extra-regional countries.

He said that the success recorded in the electronic sector was due by and large to the market connections, or linkages they had back in the United States.

In calling on Government to seek an immediate solution to the trade crisis, Mr Vieira suggested that this be done by allowing manufacturers here to look inwardly and examine where they might have been seen to violate the spirit of Caricom, and settle those matters so that others in the region can follow suit.

According to Mr Vieira: "I would like Government to reaffirm the national commitment to the manufacturing sector by practice, by placing at its disposal some of the same technical and financial resources that have been placed at the disposal of the sugar and tourist industries, especially in the light of the worsening Caricom trade."

CONTROVERSY ATTENDS ISSUE OF HEALTH DEPARTMENT WORKERS

Layoff of 200

Bridgetown BARBADOS ADVOCATE in English 18 Feb 84 p 1

[Text] The Barbados Government abruptly found the country without its anti-Aedes Aegypti Mosquito programme yesterday, after some 200 Ministry of Health employees were laid off due to lack of funds.

Ministry of Health officials said yesterday evening that the lay-offs affected virtually all of the Aedes Aegypti staff, causing a shut-down of the programme which controls the spread of both Yellow and Dengue Fever. A number of general and temporary workers from the island's polyclinics and health centres were also affected as well, sources added.

The workers were given a sharp surprise yesterday when they received the lay-off slips instead of their pay packets.

Health officials could not say if the lay-offs were temporary or not. One source noted, "the vote has run out. It is now a matter for the Ministry of Finance and Planning."

Health Ministry sources also said they had been seeking supplementary funds to keep the workers on until the end of the fiscal year, "but so far the funds are not forth-coming."

President of the National Union of Public Workers (NUPW), Mr Horatio Cooke, told the BARBADOS ADVOCATE yesterday that the Union's biggest concern was the 200-plus workers who have not received their pay for a week's work. Instead, Mr Cooke lamented, "the workers are going home tonight without money for food for their families."

Mr Cooke questioned how many more workers had been, or will be affected by this sudden lack of funds in the Ministry.

The NUPW President said his Union had contacted the Ministry of Health on the matter, only to hear there was no money. He said they then contacted the Ministry of Finance and Planning, "who parroted the Ministry of Health's reply."

Mr Cooke noted that a number of qualified Public Health inspectors had also been laid off, some of whom had put in 21 years of service.

"Government," Mr Cooke said, "should set an example for others by being a model employer, and set the standards for those in private enterprises."

Mr Cooke said he was particularly disturbed by what appeared to be a "lack of concern on the part of the Ministry of Finance and Planning regarding the plight of these workers."

The Union is holding a special meeting at 10 a.m. today for all workers in the Ministry of Health. The meeting is being held at the NUPW Headquarters, at Dalkeith, St. Michael.

Adams on Funds for Salaries

Bridgetown BARBADOS ADVOCATE in English 18 Feb 84 p 1

[Text] Prime Minister and Minister of Finance, Mr Tom Adams, said last night that there was enough money to pay the Aedes Aegypti inspectors who did not receive their pay yesterday, and that the Ministry of Finance had also told officials in the Ministry of Health how to go about getting money to pay the other workers also affected.

Mr Adams explained that the first he knew about the workers not receiving their wages was last night when he heard it in the news bulletins.

The Prime Minister explained that for two or three weeks there had been a policy dispute on the number of Aedes Aegypti inspectors to be employed by the Ministry of Health. He said he had been told that there were insufficient funds to pay the number of these inspectors the Ministry of Health wanted to employ.

"This dispute was still unresolved when late last Thursday, after the Cabinet had met, the Minister of Health, Senator O'brien Trotman, told me that the Health Ministry officials were saying there were no funds to meet these wages," Mr Adams said.

Mr Adams also said that he had advised Senator Trotman to let the Ministry of Health officials seek assistance from the Ministry of Finance.

The Prime Minister said that the Permanent Secretary in the Ministry of Finance had instructed the Financial Controller in the Ministry of Health to approach the Chief Establishments Officer for the \$24 000 required to cover the wages for two eeks.

"As yet it is unclear to me if the Controller followed this advice," Mr Adams said.

The Prime Minister said that he was concerned that a number of public health inspectors, many of them trained and qualified with long service had not received their wages.

He said that the situation had also applied to a number of general workers at polyclinics and elsewhere who were not involved in any programme of reorganisation.

"I am extremely angry about this," the Prime Minister said.

He advised that the workers concerned should report for work on Monday "...and they should demand their pay," he added.

"I intend to carry out the fullest investigation possible within the parameter of the General Orders governing civil servants to determine those responsible in this matter," Mr Adams said.

"I wish to express regrets of the Government to the workers who have suffered this embarrassment and distress," the Prime Minister added.

NUPW Intervention

Bridgetown SUNDAY ADVOCATE in English 19 Feb 84 p 1

[Text] Workers employed with the Ministry of Health's Aedes Aegypti programme who were laid off last Friday are to report back to work tomorrow.

After a meeting with these workers yesterday, the National Union of Public Workers (NUPW) said the workers would continue their employment and receive their wages.

The workers had received lay-off notices last Friday instead of their pay packets with the explanation that there was an unavailability of funds.

The meeting yesterday was attended by 70 Aedes Aegypti inspectors with as many as 29 years' service, 75 general workers with as many as 23 years and over 20 "temporary" public health inspectors with as many as 28 years' service.

Mr Errol Gay, First Vice President of the NUPW, told the workers that between Friday and yesterday the Union had acted quickly and met with officials of both the Ministry of Health and the Ministry of Finance and Planning.

In addition to informing the workers that they should return to work tomorrow, Mr Gay told them that efforts would be continued for them to receive their wages which were due last Friday.

He said also that the NUPW would seek to secure continuity in the service of the public health inspectors and make arrangements for them to receive their salary by month-end.

A meeting is scheduled between the NUPW and Ministry of Health officials tomorrow as well.

The NUPW maintains that the lay-offs were uncalled for and the absence of consultation between the two sides was an undesirable tendency.

"The opinion of the meeting was that it is a sordid affair with the union being peeved about the lack of consultation and the nonobservance, on the part of the Ministry, of the long-established practice of first in, last out. Government is setting a bad example for other employers to follow," NUPW said.

It was also pointed out at the meeting that the decision to terminate the service of public health inspectors and other monthly-paid staff was "puzzling" since, among other things, these workers have to be paid for the full month in any case.

NUPW Criticism of Adams

Bridgetown SUNDAY ADVOCATE in English 19 Feb 84 p 1

[Text] The National Union of Public Workers has described as "misleading" a statement attributed to Prime Minister, Tom Adams, on the lay-offs last Friday in the Ministry of Health.

The Prime Minister said in yesterday's BARBADOS ADVOCATE that the first he knew about the workers not having received their wages was on Friday night in the news bulletin and that there was enough money to pay the 200 workers laid off from the Aedes Aegypti programme.

But the NUPW, which met with the workers yesterday, maintained that Mr Adams' statement cast blame on a civil servant.

The Union said that the Financial Controller of the Ministry of Health could not authorise the disbursement of funds that are not available since those funds must be made available by Cabinet.

"Equally, he cannot order the lay-offs, which were based on a policy decision, for the lay-offs occurred after the Minister of Health had consulted the Prime Minister on the matter," the NUPW said in a statement issued yesterday.

The Union noted that as far back as two weeks ago the Ministry of Finance and Planning was approached by the Ministry of Health for funds. The NUPW said it was also alleged, that the Ministry, headed by the Prime Minister, refused to sanction the release of funds stating that the Ministry of Health employed the people and should pay them.

"It is clear therefore, that the Prime Minister knew all along that these workers could not and would not be paid on Friday last."

The NUPW wants to make it abundantly clear that dengue and yellow fever are still endemic in Barbados and an outbreak of either of these could wreak havoc in the tourist industry," the NUPW warned.

Call for Minister's Resignation

Bridgetown SUNDAY ADVOCATE in English 19 Feb 84 p 1

[Text] President of the Opposition Democratic Labour Party, Branford Taitt, has likened Government's policy of laying off public sector workers to the "bad old days when persons worked from week to week on plantations, not knowing if they would be paid or not."

Taitt was reacting specifically to the lay-off last Friday of 200 workers employed with the Ministry of Health's Aedes Aegypti Eradication Service.

He said he found the explanation by Prime Minister, Tom Adams, totally unacceptable and felt the situation should be met by the prompt removal from Cabinet of Minister of Health Senator O'Brien Trotman.

"Senator Trotman has been at the helm of a Ministry which, in a few short weeks, has lied to the people of Barbados, when they were led to believe that no more cadavers would come to this country until the appropriate legislation was passed. A few days later 15 entered Barbados," the DLP President said in a statement issued yesterday.

He added that secondly, a directive coming from that Ministry actually threatened the freedom of speech and expression guaranteed under Chapter III of the Constitution of Barbados--the Fundamental Rights Section of the Constitution, in which the freedoms guaranteed to Barbadians are spelt out.

Taitt's statement continued: "All of this came on top of the unacceptable decision to establish an offshore medical school in Barbados, in the face of professional resistance inside and outside of the Ministry, followed by inept and erroneous remarks by the Minister which virtually impugn the sovereignty of Barbadians to run their own affairs.

"Furthermore, the Barbados Association of Medical Practitioners has publicly stated that the Minister perpetuated a breach of an agreement arising out of negotiations over the NHS thus making it very difficult for BAMP to continue negotiating with Government with any sense that the negotiations can be concluded in good faith.

"And now this unpardonable crass treatment of workers, some of whom have given service to this country for more than 20 years. I call on the Prime Minister first to apologise to the workers concerned. And then he must dismiss the Minister responsible for health. That is the least the Government could do in the present circumstances."

CSO: 3298/561

BRIEFS

POSSIBLE BY-ELECTION--Is a by-election imminent in Barbados? This is the question now occupying the minds of politically-motivated Barbadians, particularly those of the St. Peter parish. Representative for that constituency, Burton Hinds, has been ill since December 1982 and last August was given an extended six months sick leave, which expired sometime last week. It has been rumoured that Mr Hinds, who serves as Speaker of the House of Assembly, has been asked to step down by the ruling Barbados Labour Party, but this could not be confirmed. Sources also said that it was the constituents of St. Peter who would have to decide whether the man who has been representing them since 1966 should step down. [Text] [Bridgetown SUNDAY ADVOCATE in English 19 Feb 84 p 1]

NEW BMA PRESIDENT--The Barbados Manufacturers Association (BMA) has a new President. He is Frank DaSilva who was elected to the post unopposed at the BMA's 17th annual general meeting yesterday. Mr DaSilva replaces Henry Vieira who was President for the past two years. Mr DaSilva is a former President having served in that capacity from 1971-74. Other officers elected unopposed were: John Hampden, First Vice-President; John Bourne, Second Vice-President; Tony Cummings, third Vice-President; and Brian Griffith, Treasurer. Peter Miller and Basil Forbes did not stand for re-election to any of the posts they held last year. [Text] [Bridgetown BARBADOS ADVOCATE in English 16 Feb 84 p 1]

U.S. CHURCH 'INTRUSION'--Superintendent of the Church of God in Christ, Reverend MacDonald Moore has cried "hands off" to his American counterparts, following reports that two American clergymen visited the island to investigate the local church for areas of assistance for a massive outreach programme. According to Rev. Moore's last weekend reports that Bishop Frederick Washington and the Reverend Jerome Norman were visiting to look at the church, and to prepare a report for the Memphis, Tennessee headquarters, were not so, since he had not met with them while they were in the island. Noting that Americans were intruding on the work of the local church, Rev. Moore said their intrusion was deplorable. What made matters worse, he pointed out, was that they intruded on another church council, of the Pentecostal Church of God, by using its name. [Text] [Bridgetown THE WEEKEND NATION in English 17 Feb 84 p 2]

UDP PICKS DIVISION CANDIDATE IN DISPLAY OF 'DEMOCRACY'

Vasquez Victory

Belize City THE BEACON in English 18 Feb 84 pp 1, 12

[Text] Belize City, Mon., Feb. 13: In a tremendous display of spirit and enthusiasm, some seven hundred delegates, observers, and friends thronged the Riverside Hall for the UDP Pickstock Division Convention. The convention, held to select the party's candidate for the upcoming general elections, was the end result of a three way campaign race that had generated citywide interest and excitement.

The persons contesting the convention--businessman Inez 'Blankie' Leal, Deputy Mayor Rodwell Pinks, and T.V. Advertising Executive Ramon Vasquez--had each proven solidly popular during the weeks leading up to convention nite, and up until the very end it was difficult to predict a winner. There was furious lobbying outside the Riverside Hall tonight, as each of the three aspirants had large blocks of supporters with placards and pamphlets working the crowd, soliciting last minute support.

After the votes were counted, it was Mr Ramon Vasquez who emerged winner and UDP standard bearer for Pickstock. Both losing candidates paid tribute to the democratic process in which they had participated, and drew prolonged applause when they committed their full support and that of their delegates to Mr Vasquez. For his part, Mr Vasquez told the cheering crowd that it was his pledge to bring victory to them and to the UDP in 1984.

The convention, which was particularly remarkable for the large number of youths which attended, was presided over by Mr Samuel Rhaburn, and addressed by Guest Speaker Dean Barrow. UDP's Director of Organization San Perdomo acted as returning officer, and the vote of thanks was delivered by party leader Manuel Esquivel.

Analysis of Convention's Impact

Belize City THE BEACON in English 18 Feb 84 p 2

[Text] The well attended UDP Pickstock Convention held this past Monday nite, points up one of the fundamental differences between that party and the PUP. And it is that the UDP not only preaches but practises democracy. In all its activities the UDP observes democratic principles, and its affairs are open and honest, with the membership ultimately controlling the direction of the party.

The PUP on the other hand, is a party with a long tradition of autocratic one man rule. George Price, now and again in consultation with a select few, runs the party from the top and makes all the decisions. These are then handed down to the masses, somewhat in the style of divine edicts. The ritual is then for the rank and file to shout que viva, and unquestioningly accept the dispensations from on high.

Even in the case of selection of PUP candidates for elective office, this has been the practice. It is Mr Price who handpicks the candidates, and PUP conventions have merely served as rubber stamps for the Maximum leader's choices.

It is true that the last national convention of the PUP saw a break with tradition. The upstart Said Musa and his "democratic direction" refused to go along with Mr Price's charade, the ratification of his official slate. Musa challenged Sylvestre for the party chairmanship, and the ensuing chaos almost wrecked the party. It was a knock-down, drag-out battle with the two sides trading the most sordid accusations, and stood in direct contrast to the UDP conventions where the fight is fierce but fair, and where losers are routinely gracious in defeat. Even now the fallout from that convention still affects the PUP as is evidenced by the recent and continuing cabinet power struggles.

What ought to have been a normal exercise in intra-party democracy then, turned out for the PUP to be traumatic and self-destructive. And this was so precisely because, as the newspaper DISWEEK was quick to point out, the PUP was a non-democratic party with a self-perpetuating leadership.

Mr Price, we all know, has run our country just as he runs his party. In both cases he violates every principle of democracy both unwritten and express. And there is no use thinking that if the so-called democratic direction would gain sway things would be much different. That would merely mean the exchange of Mr Price's autocracy for Mr Musa's autocracy, different singer, same song.

The difference between the PUP and the UDP then, is as clear as that between night and day. Simply put, it is the difference between dictatorship on the one hand, and democracy on the other. And as the French say, though in another context, vive le difference!

ROBBERY ATTEMPT RAISES SPECULATION ABOUT POLITICAL ANGLE

'Aliens' in Orange Walk

Belize City AMANDALA in English 17 Feb 84 p 1

[Text] Tower Hill, Fri. Feb. 17

Flash reports from Orange Walk say that several masked aliens armed with machine guns attacked the Belize Sugar Industry \$70,000 payroll party this morning about 9:30 a.m.

Our sources say a policeman and BSI employee Efrain Cal were injured but managed to get the payroll through.

The incident took place near the Tower Hill factory.

There has been an alarming increase in armed robberies (including bank heists) in Orange Walk in the past few months. It is felt that the aliens who were employed in the marijuana business have become desperate since the paraquat spraying last year damaged their livelihoods.

High level sources have indicated to us that there are "campesinos" who are too educated to be campesinos in the hinterlands of the Orange Walk district near the border. The chances are the Tower Hill armed robbers are exactly that, but there is a very small possibility la revolucion is seeking liquidity.

Gun-Running Suspicions

Belize City THE REPORTER in English 19 Feb 84 pp 1, 12

[Text] A daring attempt this morning to ambush the Land Rover bringing in the fortnightly BSI payroll was frustrated when the fire from two handguns and a shotgun failed to stop the vehicle.

The payroll, estimated to be in excess of \$70,000 was saved, but both the driver of the vehicle, 40 year old Efrain Cal and his police escort, P.C. 298 M. Cacho were hit and wounded.

The quick intervention of P.C. Cacho prevented the Land Rover from careening out of control, and his heroic action not only saved his own life and that of his companion, but rescued the payroll as well.

An official source confirmed this afternoon that an armed attempt was made to rob the money being sent to pay workers' and staff wages at around 9:30 this morning.

Three men of Mestizo descent came out of the bush at the San Lazaro junction just as the payroll vehicle was approaching. Two of them carried handguns and the third a loaded shotgun. They motioned for the driver to stop. When the driver did not stop on signal all three men fired their guns. Pellets from the shotgun hit the driver Efrain Cal, causing him to lose control of the vehicle. Police Constable Cacho, who was also hit, was able to lean over and take control of the steering wheel.

Speculation in Orange Walk is that the three gunmen are the same who held up the Bank of Nova Scotia on Tuesday, January 10, taking along three hostages and making off with approximately \$20,000 Bze.

One week ago the Orange Walk Police made a determined effort to penetrate the nest of illegal aliens living in the rural parts of Orange Walk and had brought dozens of them in. But ministerial orders from Belmopan instructed them to lay off and to leave the illegal aliens alone.

From the looks of things it is clear that there must be someone in Orange Walk Town supplying the gunmen with accurate information about the movements of their intended victims. And while there is no evidence to suggest that the robberies are anything more than they appear to be, there is unease in both Orange Walk and Belize, that the gunmen are after the high stakes because they need to finance some big operation, such as gun-smuggling.

CSO: 3298/564

AMANDALA DISCUSSES IMPACT OF PRICE 'PERSONALITY CULT'

Belize City AMANDALA in English 17 Feb 84 p 3

[Editorial: "The Enemies of AMANDALA"]

[Text] At this newspaper we consider our primary enemies to be ignorance, poverty and disease. Racism of any kind is also our enemy; so are bigotry, prejudice, and mendacity our enemies. And totalitarianism, whether from the left, the right, or a personality cult, is also our enemy.

Totalitarianism from the left is usually called communism, and totalitarianism from the right is generally referred to as fascism. Both communists and fascists routinely destroy freedoms, including free speech and freedom of the press, in their fanatic quest for total mind control. Both communists and fascists violate the human rights of their citizens, torture their citizens, and murder and "disappear" their citizens.

And the job of the free press is to condemn repression and oppression no matter the source.

A good example of a gallant free newspaper is LA PRENSA of Nicaragua. LA PRENSA fought the dictator Tacho Somoza until he was defeated in 1978. Somoza could be loosely described as a fascist.

When the new government of the Sandinistas began stepping out of line, as governments entrenched in power always seem to do, LA PRENSA turned around and began attacking the Sandinista government, a government which has been described as communist by its enemies.

So LA PRENSA, which was persecuted by the totalitarian of the right--Somoza, is now persecuted by the totalitarians of the left--the Sandinistas.

In Belize, there are some who would want AMANDALA to dedicate itself to fighting communism. Their suggestion is that if Shoman and Musa were removed from the Cabinet, all would be well in Belize. There are others who argue that AMANDALA is betraying the people by supporting the United Democratic Party. Their suggestion is that if Sylvestre, Hunger and Briceno were removed from cabinet, all would be well in Belize.

It is not as simple as either of these sides would have it. What Belize is suffering from is neither a totalitarianism of the left or of the right. It

is a totalitarianism of a personality cult, a cult which uses both communist and fascist techniques, even religious techniques in its search for perfect mind control.

And what is so quaint in Belize, or at least puzzling to those who have not investigated profoundly, is that the would be totalitarians of both the left and of the right in the Cabinet support the personality cult totalitarian-- His High Messianic Majesty, Price Escalante.

The results of Belize's personality totalitarianism are the same today as they would be if our totalitarianism were communist or fascist in origin. The results are the stifling of free speech, the persecution of the free press, government corruption, irresponsibility, and refusal to account to the people. The results are increased poverty, rampant ignorance, and epidemic diseases. The results are crime, unemployment, frustration, despair, homicide, and suicide.

Everybody admits that something is rotten in Belize. The would be totalitarians of the left blame the would be totalitarians of the right, and the would be totalitarians of the right blame the would be totalitarians of the left.

But we at AMANDALA blame the de facto totalitarian of the personality cult. And that is why we shall not be dictated to by would be totalitarians either of the murderous right or the terrorist left. All power to the people.

CSO: 3298/565

REPORT ON PRICE APPEARANCE AT COROZAL CIVIC MEETING

Belize City AMANDALA in English 17 Feb 84 p 5

[Text] Corozal Town, Thurs. Feb. 9

Prime Minister of Belize, the Right Honourable George Cadle Price, tonight stated to a "civic gathering" that he does not expect the electorate to grant him a divorce come next general elections. Price, speaking to a not-so-enthusiastic gathering of less than two hundred at the gigantic Capri Hall which is capable of seating at least one thousand, expressed in no uncertain terms his intention of keeping himself and his party in power for another five year period.

Said he--"Although it is good for the two party system to change local governments at times, when a man has lived with his wife for thirty four years it would be unwise for him to seek a divorce." He went on to state that in these times of economic crisis only a seasoned government like the PUP can see Belize through.

He hinted that in his upcoming budget speech expected at the end of the fiscal year March, Belize can expect a deficit of thirty million dollars. A slip of the tongue made Price suggest that general elections will be held in early February of 1985.

In his opening statement the Right Honourable claimed that his visit to Corozal was not as leader of a political party, but as the head of Belize's government. However, everything he said or did was in favour of his PUP.

Earlier the Hon. P.M. addressed students at the Corozal Community College. His address consisted mostly of Proverbs, and of course his political brainwashing. The students, seemed bored to death and were more than thankful for an early adjournment of classes today.

During the course of the day the P.M. visited several villages where he was respected but not quite appreciated. The villagers, mostly cane farmers, are wary of the way the government is handling the sugar industry crisis among other things.

Under present conditions here in Corozal it seems like a count of ten for Price and his party of unfulfilled promises.

BELIZE LIVESTOCK EXPORTS GAIN, NEW AREA MARKETS FOUND

Belize City BELIZE SUNDAY TIMES in English 19 Feb 84 pp 1, 11

[Text] While other Central American countries are facing stiff regulations governing meat exports to the United States, Belize has now found a feasible market in the French islands of Martinique and Guadeloupe.

Between May, 1983 and January, 1984, the Belize Livestock Producers Association (BLPA) exported over 3,000 head of beef cattle, horses, sheep(live) to Martinique and Guadeloupe. This represents more than \$2 million dollars of foreign exchange introduced to the economy during the nine-month period, according to the BLPA. The market has helped to relieve the pressure on Belize's overstocked (surplus) situation.

"In fact," says the association, "many farmers were under financial pressure and were considering dissolving their cattle operation."

The new market has benefitted producers countrywide. "A wide cross-section of the livestock producers have benefitted, from the smallest farmer to the largest producer; from Corozal to Toledo."

Trade between Belize and Martinique and Guadeloupe is on the increase since government officials and businessmen from these countries signed an agreement last year.

Besides cattle, the BLPA says it has also exported more than 400 tons of rice and some lumber to the islands in the Eastern Caribbean. It says the Martinique buyers are presently negotiating for the purchase of sugar, honey and citrus from Belize.

Belize's meat exports to the US, meanwhile, have virtually stopped. Total sales for 1980-81 were less than \$1 million.

Meat exports to the US market from other Central American countries dropped by 48 percent in the 1980-83 period. The industry is now further troubled with the US applying a 1981 law written after laboratory tests revealed unacceptable levels of insecticides, metals and phosphorus in the meat from the region.

Honduras, which had sales amounting to \$34 million in 1983, and Nicaragua with \$22.4 million, are the hardest hit. El Salvador and Panama are less affected. Panama's sales last year amounted to \$3 million, El Salvador had \$3.2 million, Guatemala \$16.1 million, and Costa Rica was at the top of the list with \$34.2 million.

Honduras, Nicaragua and Panama all say they can shortly meet the US health requirements and expect their exports to start up again shortly.

CSO: 3298/565

BRIEFS

CANADIAN GRANT--Belize last week received a grant of \$157 thousand from the Canadian government for various projects in health and education. The Ministry of Health is getting \$83 thousand from the grant to be used in a programme aimed at reducing infant mortality and the prevalence of disease in the Cayo District. The money will be used to increase water supply water wells and pumps in 19 villages. Funds have also been provided for the extension of a child dental health care project. The Canadian government has also provided funds recently for the promotion of the breast feeding of infants, through the newly established Breast Is Best League. The San Pedro High School and the Maskall Primary School are receiving assistance for the construction of new classrooms. [Text] [Belize City BELIZE SUNDAY TIMES in English 19 Feb 84 p 2]

CSO: 3298/565

SWAN COMMENTS ON TALKS HELD DURING VISIT TO WASHINGTON

Hamilton THE ROYAL GAZETTE in English 7 Feb 84 p 1

[Text] Premier the Hon. John Swan returned yesterday from his week long visit to Washington believing the trip had been a success despite the fact that he did not meet President Reagan.

The main object of his trip was to further discuss the possibility of the US extending tax concessions to its citizens who attend association conferences in Bermuda.

Mr Swan said yesterday that the main stumbling block was still the US insistence on Bermuda allowing investigations of US companies based here. He said there was no question of Bermuda allowing another country to invade her sovereign rights.

But he went to say that he was neither over-optimistic or under-optimistic about the chances of accord being reached and that a further meeting had been arranged.

Last year President Reagan launched the Caribbean Basin Initiative with a view to extending concessions to certain countries in return for the right to pursue civil investigations into US companies. Canada and Mexico are among countries already enjoying the benefits of conference concessions.

Mr Swan said yesterday: "We are saying to the US that we have not flaunted ourselves as a tax haven and that our main trade is with the US and that you cannot lump everybody into the same category."

As to the subject of his not meeting President Reagan he said:

"I went to see him about the tax concessions but during discussions I had while in Washington I found that the person I wanted to see was not President Reagan but Treasury Secretary Donald Regan.

"So I very quickly tried to get an appointment and was lucky to get one at such short notice.

"Mr Regan opened a window of opportunity to try and reach some accord so it wasn't such a bad deal, was it?"

The rest of his trip was crowded with engagements. Last Tuesday he had a meeting at the State Department and in the evening visited Vice-President Bush at his official residence. Later he and Mrs Swan attended a special banquet held by the Vice-President at the National Air and Space Museum.

On Wednesday he had lunch with Congressional leaders and in the evening spoke on the subject of "the importance of spiritual leadership" at a Caribbean dinner.

After the breakfast on Thursday Mr Swan lunched with the British Ambassador Sir Oliver Wright at the Embassy.

On the same day he met the Prime Minister of Dominica Mrs Eugenia Charles at the office of Senator Paul Trible.

On the Friday Mr Swan went to Capital Hill for breakfast then visited the House of Representatives. In the evening he and Mrs Swan attended a concert in the Presidential Box at the John F. Kennedy Centre for the Performing Arts.

CSO: 3298/566

PLP SCORES GOVERNMENT BAN ON SCHOOL DEBATE PROGRAM

Party Press Release

Hamilton THE ROYAL GAZETTE in English 7 Feb 84 p 1

[Text] Government has banned schools from taking part in a debating competition organised by Progressive Labour Party youth group the Bermuda Youth Advocates.

But the PLP has vowed to go ahead with the competition anyway--holding the debates "outside the school system" later in the year.

Education Minister the Hon. George Thomas said last night the decision reflected "basic Government policy," and was not politically motivated.

"It's basic Government policy that in the schools we do not allow activities under the auspices of any political party--whether it be the PLP or the UBP--and I think it's a very sound policy."

But the PLP, in an official press release, disagreed.

"We consider it unfortunate that Government has decided to take a partisan approach over what was designed as a community project to bring Bermudians closer together, and to encourage young people to adopt more positive and constructive activities."

The Opposition Party said the debating project was to be "non-partisan."

Meanwhile PLP spokesman Mr David Allen, who in a story in THE ROYAL GAZETTE last month said "frankly the party doesn't want a great deal of publicity on the matter," said yesterday's page-long press release had been prompted by Government's action.

"We did not want to make it a political football, but it obviously had been politicized by the time Government got through with it."

Ministry Reversal

Hamilton THE ROYAL GAZETTE in English 8 Feb 84 p 1

[Text] The Progressive Labour Party yesterday charged that Government was misleading the public by saying that it had always been "basic Government policy" to ban activities in schools which are under the auspices of any political party.

The accusation followed a Government decision to ban participation by Government schools in a debate competition organised by the PLP's National Youth Advocates.

In an official statement, the PLP claimed that Education Minister the Hon. George Thomas, had neglected to mention the fact that the competition had previously been endorsed by Government.

Those endorsements were said to have come late last year from the then Minister of Education, Mr William Cox, and in a circular sent to principals of Government secondary schools by chief education officer, Mr Sinclair Richards.

That circular contained the following: "Please be advised that the Ministry and the Department of Education have now endorsed the proposed debating competition that is being organised by a committee of the Youth Wing of the Progressive Labour Party."

Dr Thomas last night admitted in a written statement that permission to participate in the contest had been granted by the Ministry. But he said that decision was reversed because it was a departure from established policy.

"It has been a long-standing policy of Government to prohibit any political party from interfering in the educational system.

"In this particular instance, as in previous instances such as the Spelldown contest, the Ministry refused to grant permission to a political party to work within the educational system," he said.

The premier, the Hon. John Swan, last night denied a suggestion that conflict over Mr Cox's endorsement of the competition had been a factor leading to his resignation which came shortly after.

"That is absolute nonsense. It had no bearing on his resignation," said Mr Swan.

Mr Cox refused to comment on the matter.

CSO: 3298/566

ROLE OF MONETARY AUTHORITY PROVOKES SENATE ROW

Hamilton THE ROYAL GAZETTE in English 16 Feb 84 p 1

[Text] The Bermuda Monetary Authority was yesterday told not to try to embarrass or frustrate the ambitions of Government.

The finger-wagging came from the Hon. Charles Collis, Government's spokesman in the Senate, in reply to a question from Opposition Sen. David Allen.

It was another shot in the battle between the Authority and Government, following the recent resignations of Authority managing director Dr Merlyn Trued, and his deputy Mr Bob Richards. The post chairman of the Authority has been vacant for 14 months.

Dr Trued has claimed the Finance Ministry was trying to undermine the autonomy of the Authority.

Sen. Allen asked how Government viewed the future role of the Authority. Its current role is to advise Government on banking and money matters, to manage exchange controls, supervise banks and foster good relations with them, and to issue currency.

Sen Collis said Government saw no need for a fully-fledged Central Bank in Bermuda, a role that the Authority partly plans. The decision to reject offshore banking had greatly reduced the degree of financial supervision needed in Bermuda.

Most Authority functions could be carried out by Government departments. Exchange control could be delegated to the banks, while issue of notes and coins could be performed by a currency board.

"Nevertheless, Government remains of the opinion that these functions are best performed by a strong autonomous organisation, sensitive to Government's aims and objectives, but prepared to give independent advice," he said.

"Government accepts the value of a buffer between itself and the financial community. But in exercising its independence, the Authority should not seek to embarrass or frustrate the ambitions of Government.

"Clearly the role will not always be an easy one, and differences of opinion will arise.

"Potentially, however, the relationship between Government and the Authority is a valuable one.

"To perform effectively, however, the Authority must have strong, competent leadership, and a sense of direction and motivation. In many respects the BMA's authority rests much more on its competence and efficiency, and the soundness of its advice, than on any statutory powers it may possess.

"Government hopes that under a new leadership this Authority will be re-established and the BMA will perform to a high standard the functions set out in its incorporating Act."

CSO: 3298/566

EXPANDED SCOPE FOR FOREIGN BUSINESSES WINS APPROVAL

Hamilton THE ROYAL GAZETTE in English 26 Jan 84 p 15

[Text] Government has extended its list of approved stock exchanges under part three of the 1981 Companies Act, thus widening the scope for overseas businesses to set up international companies and raise capital in Bermuda.

Part three covers the issue of prospectuses and public offers, setting out the kind of information which must be included in any offering.

But it specifically exempts from some of these requirements those prospectuses which have already been accepted by certain stock exchanges abroad.

These foreign markets, which the act refers to as "appointed" exchanges, formerly comprised exchanges in London, New York, Frankfurt, Toronto and Bermuda.

The new list, announced last week, approves additional stock markets in Luxembourg, Hong Kong, Tokyo, Montreal, Melbourne and Johannesburg.

The exemption it confers on companies' prospectuses allows easier access to the local capital market and means some firms will not have to comply with some of the act's rigorous disclosure requirements.

One of these, for example, requires that an auditor's report on a company be attached to its prospectus.

The move comes in response to demands from local law firms whose clients are interested in setting up in Bermuda either to raise capital or take advantage of other concessions allowed to firms whose stock is traded on appointed exchanges.

One concession likely to attract foreign businesses relates to share transfers.

It exempts certain international companies from stamp duty which is charged at the rate of half a percent of the value of share transfers.

Government is not expected to suffer anything more than a "minimal" loss of revenue, reliable sources said this week. Nor, they added, is there likely to be a major increase in the rate of incorporations as a result of the measure.

It does, however, give foreign businesses already thinking of going offshore an additional reason to come to Bermuda.

CSO: 3298/566

BANK OF BERMUDA PROFITS PLUMMET; IMPACT ASSESSED

Hamilton THE ROYAL GAZETTE in English 9 Feb 84 p 15

[Text] Bank of Bermuda first-half profits to December 31 suffered an unprecedented tumble, it was revealed yesterday.

They fell nearly 50 percent compared to the same six-month period in 1982, reaching \$5.02 million against \$9.97 million last time.

Announcing the interim result yesterday, chief general manager, Mr Donald Lines, blamed lower returns and higher costs for the sharply weaker performance on the Island's largest bank.

"The decline in earnings is due to the lower return on investment of the bank's capital and higher operating expenses resulting from substantial additional investment in premises, computer systems and personnel," he told BUSINESS WEEK.

Total revenues fell to \$27 million from \$28.4 million, with only trust business and management fees, which gained almost a million dollars, showing any appreciable growth.

Expenses climbed to \$22 million from \$18.5 million last time--up 19 percent. Of these, salaries accounted for \$9.4 million (up 8.6 percent), property expenses \$3.3 million (up 46 percent) and depreciation \$1.4 million (up 32.5 percent).

Mr Lines said that the significantly higher property expenses stemmed mostly from the construction of the bank's Par-la-Ville branch which opened last October.

And he said the bank had long been expecting a fall in net interest revenues.

"The figures came as no surprise to us," he said. "We have been anticipating them since international interest rates started to flatten about a year ago. Our results are very much in line with most other major banks which have been showing lower profits."

Mr Lines conceded it was now "highly unlikely" that the Bank of Bermuda will finish the year ahead of its 1983 result--a record year in which profits grew to \$19.7 million--even though the second half is a traditionally stronger period.

He also predicted that the international business sector of the economy "is unlikely to contribute to Bermuda's growth during 1984."

"What we are seeing," he said, "is the tail-end of the recession among the international businesses. I think we are entering a period in which jobs will become more scarce and personal incomes in Bermuda will not rise as fast as they have. This means that job turnover will slow and that Bermudians will no longer be able to move across the street for a higher salary. I think all that will come to an abrupt end."

Mr Lines said the bank is now hoping for "interest rate gyrations."

He explained: "We make better profits out of moving interest rates rather than flat ones and I think we will see interest rates starting to ease over the next few months. But a lot will depend on how the United States decides to tackle its deficit, bearing in mind this is an election year."

Though profits were off sharply, the bank's assets strengthened to \$2.4 billion, up from \$2.2 billion for the same six-month period of 1982.

CSO: 3298/567

BRIEFS

BERMUDIANIZATION DRIVE--A campaign is underway to revive the defunct Bermuda for Bermudians group, which played an active part in local affairs between 1975 and 1981. Newspaper advertisements have been placed wanting to hear from those who would like to see the group back in business. The ads ask questions like: "Are you happy about the granting of status? Do you think our politicians are serious about this issue? Do you think there should be permanent residency?" Organiser Mr Dale Butler said there had been about 35 calls over the past two days from people who supported the revival. He said he hoped a meeting could be arranged in the near future to see if the idea was viable. Mr Butler said the group had initiated the movement that led to today's recognition of heritage. "Bermudians now are finding it difficult to become home and landowners, so our children are going to find it increasingly difficult and that is why we are looking at the possibility of reviving the group." [Excerpts][Hamilton THE ROYAL GAZETTE in English 1 Feb 84 p 2]

'RACE' CHARGE AGAINST SWAN--Premier the Hon. John Swan was yesterday accused of letting down the blacks of Bermuda over the sale of part of his company and a bank charter to the Bank of Bermuda. The allegation was made in the House of Assembly by Opposition MP Mr Frederick Wade during debate on a PLP motion that a Parliamentary committee be appointed to investigate the ramifications of the sale. "John W. Swan has sold out the black community politically, and this year he has sold it out financially," said Mr Wade. "If you look back at the election campaign, you will see that Mr Swan was promoted as the bright young black man leading the people to the promised land. And he won that campaign. The tragedy is that he hadn't any influence to save his own business because now John W. Swan Ltd. just rents houses and sells houses. That's his legacy to the black supporters of the last election. People thought he had built an important financial empire. He has made it impossible for any black person in the next 20 years to collect black funds for a black enterprise." The motion for an investigatory committee was defeated. [Excerpt] [Hamilton THE ROYAL GAZETTE in English 28 Jan 84 p 5]

U.S. NUCLEAR 'DUMPING'--The Progressive Labour Party last night reacted angrily to reports that the US Navy is to dump nuclear submarine parts 400 miles from Bermuda. In a statement the PLP said it would raise the matter in Parliament and would urge Government to vigorously oppose the dumping of nuclear material in the Atlantic between the US and Bermuda. But US Consul Mr William Dixon Boggs said yesterday that the Atlantic site was nothing more than one of a number of proposals and that no decision had been made.

"We will do nothing to jeopardise the US or Bermuda. This is just a tentative proposal and there would be lengthy and profound environmental studies made before it was chosen." He said that other options were burying the parts in Washington State or sinking them in a deep part of the Pacific. Mr Boggs said that the problem was that nuclear technology was far ahead of methods of disposal. Bermuda would certainly be consulted before such a decision was taken, he said, and in any case he would pass on the concern expressed over the proposal. The PLP statement stressed the importance of Washington's attention being drawn to Bermuda's views before any action was taken. [Text]
[Hamilton THE ROYAL GAZETTE in English 3 Feb 84 p 1]

MILITARY TRAINING IN JAMAICA--Members of Bermuda Regiment B Company left the Island on Saturday, bound for Jamaica and two tough weeks of training. The 120 men will be headquartered at a Cuban-built camp about seven miles from Montego Bay, Major John Bento said last night. The camp culminates in a four-day exercise after which the men will have one and a half days of leave before returning to Bermuda. The Regiment's A Company will then go on a similar, two-week training exercise. Major Bento said the soldiers were being accompanied by a number of US Marines and Bermuda Police officers. "We work very closely with the police on matters of internal security," he said. "As far as the Marines are concerned, they've been very good to us and this is how we reciprocate. [Text] [Hamilton THE ROYAL GAZETTE in English 13 Feb 84 p 1]

CSO: 3298/567

MUNICIPAL ELECTIONS FAIL TO STIR UP POLITICAL INTEREST

Santa Cruz EL MUNDO in Spanish 9 Feb 84 p 1

[Text] According to the Law of Convocation for Municipal Elections, the balloting should take place on the first Sunday of the coming month of May, but the executive branch so far has not allocated the required budgetary item (equivalent to \$2.5 million) and neither has the legislative branch approved the New Organic Law of the Municipalities nor the Regulations for Municipal Elections.

What is worse, to date it has been impossible to set up the National Electoral Court or the departmental courts which by law are responsible for organizing all aspects, no matter how small, of the elections.

In view of this, if the elections are to take place during the first half of this year, it would be impossible to hold them before the first Sunday in July or the last day of that month.

Disinterest

It is obvious that the political parties have gradually lost interest in the municipal elections. The government parties are disinterested simply because they are not on the winning side, given the accelerated political erosion of the government, which cannot seem to do anything right. The opposition parties show no interest, even though they know they can win, because the insolvency of the municipalities does not augur well for a successful administration in each of the districts.

Moreover, in theory at least, the best people in each political party are either in the government or in the legislative chambers. They, of course, would not have much interest in municipal elections, aside from the fact that it would be difficult for the technocrats in each party to want to wear themselves out professionally in municipal governments without any prospect of economic, social or political success.

Electoral Power

The present National Electoral Court, which from a strictly legal standpoint is not valid, has let the days go by with neither the government nor the legislative chambers, and much less the political parties, having shown any sign of civic interest in holding the municipal elections.

A tentative timetable for preelection activities was prepared long ago with virtually fatal dates, which should have been in effect at least by 20 January 1984.

To top things off, the recent wage readjustments and the subsequent general increase in prices have reduced the budget allocations to cover pre- and postelection costs, making it necessary to prepare a new budget.

Orders must be placed for the printing of voter registration books, for the replacement of wornout or lost ballot boxes, and a supply of copies of the constitution, the Electoral Law, the Regulations for Municipal Elections, and Organic Law of Municipalities, as well as envelopes, indelible ink, and so forth, must be made available.

The time limits in which to file candidacies, open voter registration books, remove unqualified voters from registration books and print the ballots grow shorter with each passing day.

Postponement

In short, it would be exceedingly difficult to hold the municipal elections on the date set by the Law of Convocation and a postponement for as least 2 months is imminent; it will be necessary to legislate an appropriate law to that effect.

If, in spite of the difficulties mentioned, there is insistence on holding the elections on the first Sunday in May, then they will surely turn out to be the worst-organized elections and the results would give rise to a string of controversies that would seriously detract from the civic and intrinsically democratic value of the event.

Neither can it be disregarded that unwise comments may issue from the executive and legislative branches regarding the imminent postponement of the elections and each side will try to dodge responsibility at the expense of the other.

12674

CSO: 3448/267

COMMUNIST INFLUENCE SEEN BEHIND BUSINESS-GOVERNMENT FALLOUT

La Paz ULTIMA HORA in Spanish 2 Feb 84 p 3

[Editorial: "Private Enterprise and the Government"]

[Text] Serious words were spoken in Congress and at the Special Assembly of Private Enterprise which met yesterday in our city. Ominous dangers which might drag our country into civil war were discussed. One delegate expressed the view that a plan for the sovietization of Bolivia is being gradually implemented. Another participant stated that the sovietization has already been accomplished by the communist sectors operating within the state administration while the highest government authorities looked impassively on at the penetration. There were also those who said that the Communist Party rules over broad sectors of society, adding that the communization process is obvious in various activities such as those related to trade unions, culture, education, including higher education, of course. A national deputy categorically defended the position that the chief executive should be impeached, a political stand that was obviously incompatible with the nonpartisan, entrepreneurial sense of the meeting.

Supports of a more moderate position were not lacking, of course both as regards the criticism directed at the chief executive and the COB (Bolivian Labor Federation), and the concrete measures that were to issue from the assembly. Still, the meeting is far different from last year's, which was attended by the president, the vice president, and the ministers of the economic sector. On that occasion there were misgivings and mutual distrust; now an atmosphere of open hostility prevails.

What has muddled relations between the government and private enterprise? The causes may be the following: 1. The limited sensitivity of the executive branch toward the important function of private enterprise as an essential element for economic and social development. 2. The constant increase in COB pressure until it was able to achieve a cogovernment and establish itself as a superstate that disregards the sovereignty of the Bolivian state. 3. The offensive by the ruling communist sectors aimed at weakening the private sector.

References to communist influence exerted from within the government not only include the two ministers who are members of the Communist Party but also the crypto-communists whose real intentions have surfaced by their lengthy stays in countries like Cuba, the GDR, Czechoslovakia, and so forth, until the change in our government in October 1982.

There is no denying the role played by private enterprise in the restoration of democratic institutions. The idea of calling the Congress of 1980 stemmed basically from private enterprise were still asserting the firm conviction that despite the obvious deterioration of the situation, the various political sectors should give their support to constitutional order until the 1986 elections. That support is not as evident now.

No other option can be seen, however, that would permit the conception of a rational plan to replace the present constitutional government. The year-end maneuvers to promote the absurd "constitutional coup" sank in the void of their own incoherence.

The possibility brought up again, therefore, of creating a technical-economic committee or of obtaining a real consensus cabinet, remains the only viable option that could be proposed at this point when you consider the imponderable effects in the wake of the COB-private enterprise tension that was stirred up by the strike called by the latter. Nonetheless, let it be well understood that this cabinet cannot be conditioned to "support for the UDP [Democratic and Popular Unity]." It should consist of truly representative sectors that contribute to the support of the nation. In moments like these bold solutions must be sought for the sake of national salvation.

12674
CSO: 3448/267

COMIBOL TO INCREASE TIN PRODUCTION IN 1984

La Paz PRESENCIA in Spanish 7 Feb 84 p 3

[Text] The Mining Corporation of Bolivia (COMIBOL) plans to produce 19,000 fine metric tons of tin in 1984, which is 2,980 tons more than in 1983, when 16,020 tons were produced.

According to this year's schedule, production of lead, copper, wolfram, zinc and cadmium will also be increased. Silver production will be maintained at 147 fine metric tons.

It is estimated that lead production will be increased by 733 tons, while increases in other minerals in relation to 1983 will be as follows: copper, 303 fine metric tons; wolfram, 137; zinc, 4,316; and cadmium, 10 fine metric tons.

COMIBOL reported that operations in 1983 resulted in higher production volumes than in 1982. "The 1982 crisis was avoided in 1983. A major, overwhelming and growing succession of negative factors has worsened COMIBOL's stagnant and distressed condition which dates back to the 1960's and 1970's."

COMIBOL's report pointed out that the corporation had to cope with a number of problems in 1983. These problems included nonliquidity, higher prices for capital goods and food, irrational conversion of the foreign exchange produced, shortages of machinery, equipment, tools and replacement parts, downtime caused by undermechanization and power and water outages, delays in receiving emergency credits, "inept or malicious" intent by suppliers in moving orders for mechanization equipment and provisions, and an "alarming" theft of minerals.

The following COMIBOL production table provides 1982 and 1983 output, as well as the 1984 projection in fine metric tons:

Item	1982	1983	1984
Tin	15,484	16,020	19,000
Silver	131	147	147
Lead	7,233	7,767	8,500

Copper	1,295	1,997	2,300
Wolfram	1,320	1,263	1,400
Zinc	23,725	22,184	26,500
Cadmium	93	96	106

12674
CSO: 3448/267

MINISTERS DIVIDED IN SUPPORT OF PRESIDENTIAL HOPEFULS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Feb 84 p 7

[Text] Brasilia--Six ministers of state support Andreazza. Three endorse Vice-President Aureliano Chaves. Two have come out in favor of Maluf. Even among the military ministers and those without portfolio at the Planalto Palace, who are extremely loyal to the president, a division of opinion can now be seen. Practically everyone in the Figueiredo cabinet now has a preference, and in some cases, is working hard for the favorite candidate.

Although Minister of Interior Mario Andreazza is seen as the favorite of the president of the republic and the majority in the cabinet, he does not have unanimous support at the Planalto Palace, nor does he seem to be the favorite of the military, divided in their sympathies between Aureliano Chaves and Maluf. President Figueiredo has left it to the members of his team to make up their minds, and the various choices of his ministers do not seem to be affecting the functioning of the administrative machinery.

The majority of the ministers are not PDS [Social Democratic Party] convention delegates, and none except Cesar Cals (of the bionic faction) has a vote in the electoral college. But they handle a budget totaling billions, and they have the power to appoint and dismiss and are regarded as important ward bosses. If the candidacy of Andreazza is supported on the recommendation of the Planalto Palace, as an adviser of the minister of the interior has suggested will occur, his stock might rise considerably. But for now such support seems to be in suspension, and if it becomes a fact, it will not be unanimous.

Caution in the Palace

The ministers with permanent posts in the Planalto Palace, the so-called "house ministers," are in a more difficult position when it comes to revealing or even voicing their inclinations with regard to the candidates to succeed the president. Working in direct contact with the head of government, their duty of loyalty is greater, among other things because General Figueiredo utilizes such advice as they may offer in internal discussions of the matter, and in the assessment of the effects the election process may have on the government as a whole.

Minister Leitao de Abreu, who is chief of the Civilian Household of the Presidency, is the cabinet member who has discussed the matter with General

Figueiredo at greatest length. Because of his relationship with the president, he never makes comments concerning the candidates, and never voices a preference for any one of them. His advisers share his discretion. In fact, Leitao would prefer another succession scenario, in which a candidate capable of obtaining a level of consensus which would not threaten PDS unity would emerge.

He believes that the process is still far from its definition, and he thinks there is a possibility of agreements which could even include the opposition. This is the reason he is said to incline, in the event such a situation does come about, toward the former prefect of Sao Paulo, Olavo Setubal, or the governor of Minas Gerais, Tancredo Neves.

Among the four candidates, Leitao has the greatest respect for Aureliano Chaves, of whose loyalty he has assured President Figueiredo on numerous occasions. However, the development of the vice-president's position toward an attitude of greater challenge to the government, and the open defense of direct elections, which the head of the civilian household will not for now accept, must be weakening Leitao's convictions.

The PDS candidate, in the eyes of some of its politicians, should be Leitao himself, who could profit from a deadlocked situation to seek the support of President Figueiredo. However, he would lack any party support. Leitao will have to go along faithfully with the decision of the President Figueiredo. Thus he will end up by supporting his ministerial colleague under two governments, Minister Mario Andreazza.

General Ludwig, the head of the Military Household, has the same limitations because of his post in the confidence of the head of the government, and perhaps is even less willing to discuss politics, or even to make suggestions to Figueiredo. He has preferred to keep silent about some of the things with which he disagrees, because he believes that he will not succeed in changing the presidential inclination, and also in order to avoid involvement with government sectors which are not specifically his own.

His friends comment that he recently indicated some sympathy with the candidacy of Aureliano Chaves, as have some of his military comrades, and he even talked to the head of the government about this, stressing the credibility and leadership capacity of the vice-president. But Figueiredo today would agree to any of those mentioned as his possible successor except Aureliano Chaves. Ludwig may possibly keep his convictions and personal preferences to himself and, for official reasons, go along with the position of the head of the government. Or he may remain neutral. He does not have much sympathy for Andreazza or Maluf, and he believes that Marco Maciel might be a key figure for party compromise.

Gen Octavio Medeiros, head of the SNI [National Service for Intelligence], since his own candidacy collapsed early on, by the adverse effects of the scandals in which that body became involved--the Baumgarten, Capemi and PROCONSULT cases, today supports Andreazza. His position is practically defined. His relations with Figueiredo were left shaken and the rapprochement occurred in Cleveland. Even so, he won no support for his ambitions, particularly among the military.

Gen Danilo Venturini, chief of the Special Ministry for Land Related Issues, is one of Figueiredo's closest and most loyal friends. He will have no candidate of his own, but will go along with the chief's decision. He will therefore support the candidacy of Minister Andreazza, with whom he has good relations, due among other things to the complementary nature of the projects of his ministry and the interior ministry in the Northeast.

Military Ministers' Preference

The army, navy and aeronautics ministers have given assurance that they will respect the choice of and support the candidate chosen by the president, but this does not mean that they will participate in the campaign of any one of the presidential possibles. According to Minister of Aeronautics Delio Jardim de Mattos, the succession is a problem which it is for the politicians to resolve. "The armed forces are removed from the problem," he commented, "although they are following it closely, as is their duty."

In fact, in indicating that they will support the candidate chosen by the head of the government, the military ministers are stating in advance that they will not oppose the president. But they are not willing to place themselves in the service of any candidate, either by attending public gatherings or in political negotiations.

In the talks they have had with some politicians, however, the military ministers have allowed some indications of their personal preferences to be known. Walter Pires, although cordial toward Andreazza, enjoys better relations with Deputy Paulo Maluf. Delio Jardim de Mattos and Maximiano Eduardo da Fonseca do not conceal a certain admiration for Vice-President Aureliano Chaves.

For example, the aeronautics minister, although he does not dislike Andreazza, has greater sympathy for the former governor of Sao Paulo, during whose administration he received all of the support he needed from him in resolving the problem of the new Sao Paulo airport. Friends since the days when the current minister of the interior was an active army officer, Andreazza and Delio suffered some upset in their relationship on the occasion of the last transfer of the governorship of the state of Roraima. Earlier, moreover, Delio had already told President Joao Figueiredo that in his view, if a minister of state wanted to run for election as his successor, he should resign from his post during the campaign phase. Minister Delio has not changed this position, and he continues to believe that his colleague and friend Mario Andreazza should have resigned from the interior post at the time he officially informed the PDS that he would be a candidate for the presidency of the republic.

Generally speaking, the military ministers show greater sympathy individually for the candidacy of Aureliano Chaves. They do not conceal the fact that he is the only one who would represent a change for the better in the current national political picture. The military ministers were rather impressed by the vice-president's attitude in connection with the flood which affected the southern part of the country, while at the same time the Northeast suffered from a drought, when he took the economic ministers, Delfim

Netto and Ernani Galveas, with him to visit these regions, and released the funds they needed at that time.

In the eyes of the military ministers, Aureliano demonstrated then that he knew how to create a "united order" in the economic sector, which President Joao Figueiredo, as a military man, has not as yet been able to do. Nor are the military ministers satisfied with this sector, and they hope that, with his attitude, Aureliano would implement a firmer and more creditable national economic policy. In talking with them, one concludes that the military ministers prefer Aureliano Chaves, Maluf, and finally Andreazza, in that order.

Economic Team Divided

A declared Andreazza supporter, the minister of labor, is only refraining from supporting him publicly for lack of encouragement from the president approving the involvement of this official "in the personal campaign of any candidate." Murillo Macedo will only act when the president gives the green light. However, Minister of Mines and Energy Cesar Cals did not wait for the president, but began to work for his colleague in the interior department, in whose company he has traveled throughout Brazil. So committed is he that he is already mentioned as a running mate as the vice-presidential candidate.

Another declared Andreazza supporter is Minister of Agriculture Amaury Stabile, who has lent his name to all of the proceedings at the Ministry of Interior, but he says he is awaiting a decision by President Figueiredo to make his position public. If the president releases the ministry, Stabile will support his colleague in the interior post.

Silent and discreet, Minister of Foreign Affairs Saraiva Guerreiro has not as yet said anything about the succession. It is believed that he too favors Andreazza because of the family relationship, since both are the husbands of sisters-in-law of Octavio de Medeiros, the head of the SNI. Minister of Communications Haroldo Correia de Mattos also favors Andreazza, and according to his advisers, "he would never support Maluf."

"I have received no requests or even suggestions in regard to the matter." This was the reaction of Minister of Education and Culture Ester de Figueiredo Ferraz when asked about her announced support of Andreazza. She says she has not chosen a candidate, and may focus her preference on the basis of the choice made by Chief of the Civilian Household of the Presidency Leitaõ de Abreu, with whom she is linked both by friendship and professional ties.

Another minister unaware of any government suggestions of support for Andreazza is Minister of Finance Ernani Galveas, who says that the BNH [National Housing Bank] provides his "strongest point of contact" with the minister of interior. He seems to be undecided, but if he goes along with his "guru," Delfim Netto, he will in the end support Maluf.

Minister of Planning Delfim Netto and Minister of Justice Ibrahim Abi-Ackel are the two Maluf supporters in the Figueiredo cabinet. Delfim Netto gives

assurance that "the two votes I have at the convention belong to the president," but says that his advisers have made clear their preference for the former governor of Sao Paulo, thus far the only candidate who did not reject the economic policy of the SEPLAN [Secretariat of Planning]. Abi-Ackel also favors Maluf, but given his loyalty to Figueiredo, he may in the end publicly support the minister of interior. It is only Aureliano Chaves whom he could not in any case accept, for regional political reasons.

If Minister of Health Waldyr Arcoverde could freely choose, the candidate he would favor would be vice-president Aureliano Chaves. But he too will support Andreazza, if the Planalto Palace recommends that he do so.

Another minister who has shown sympathy for Aureliano is Minister of Transportation and Public Works Cloraldino Severo, although publicly he says he has not decided but has commitments to Mario Andreazza, who fought for his appointment to his post. He could not accept Maluf.

The great supporter of Aureliano Chaves in the Figueiredo cabinet is Minister of Industry and Commerce Camilo Penna himself, although he has avoided stating his preference. But his political and economic ideas are in perfect accord with those of the vice-president, whose secretary of finance he was in the government of Minas Gerais between 1974 and 1978. Camilo Penna is also described as one of the coordinators of the electoral platform of Aureliano Chaves as a candidate.

Minister of Welfare and Social Security Jarbas Passarinho has done nothing to date to indicate his preference for the electoral race. It is said that he is "on the fence" because he believes that he might become one of the choices in the process if a radicalization of positions were to suggest that a new PDS name be proposed.

His advisers say they are certain that although he was courted by Maluf during the period in which he suffered political ostracism, Passarinho would not support the former governor, even though his most loyal comrade, Deputy Gerson Peres, is a declared Maluf supporter, and his base in Para is thick with the adherents of Paulo Maluf. One thing is certain, and that is his loyalty to Figueiredo, which could lead him, if asked, to support Andreazza.

5157

CSO: 3342/74

CNPQ TO DIVERSIFY PARTNERS IN AREA OF S & T COOPERATION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Feb 84 p 17

[Text] Brasilia--The National Council for Scientific and Technological Development (CNPq) will this year diversify its international cooperation in the fields of science and technology, with a view to establishing a scientific relationship with countries located outside the United States-Europe axis. This decision is designed not only to provide Brazil with access to another type of data, but will also serve to reduce the dependence of Brazilian scientists on certain cultures. China, India, The Netherlands, Sweden, Denmark and Australia, for example, are among the countries with which the CNPq is negotiating agreements.

Dourimar Nunes Moura, head of the international advisory staff of the Council, will have resources totaling 1.5 billion cruzeiros this year for the development of international cooperation, and approximately 1 billion cruzeiros for the granting of scholarships for specifically approved projects within the cooperation programs. Similar counterpart funds are to be provided by the countries with which Brazil already has scientific agreements and those with which such agreements are in the process of negotiation.

There are 34 agreements jointly being carried out with institutions in 21 countries. Still later this month, the CNPq will conclude new agreements which have been negotiated with North American research institutions, and which will be included within the basic agreement for cooperation in science and technology signed by Secretary of State George Schulz and Brazilian Minister of Foreign Affairs Saraiva Guerreiro in Brasilia last Monday. The diversification policy, moreover, is also scheduled to be implemented now.

In the next few days, the president of the CNPq, Lymaldo Cavalcante de Albuquerque, is expected to sign two supplementary amendments to a basic agreement signed with the People's Republic of China 2 years ago, which was not ratified by the Brazilian Congress until the end of 1983. The Chinese Academy of Sciences and the Chinese Association for Science and Technology (CAST) have already resumed talks with the Council in order to define the projects to be carried out this year. Brazil is interested in the fields of farm technology, appropriate technological equipment, nonconventional energy sources (biomass in particular), basic sciences, pharmacology (mainly the use of medicinal plants) and health in that country.

In its plan for 1984, the CNPq has also included India. Its Department of Science and Technology has been negotiating an agreement with Brazil since

1977. Although India is still among the developing countries, it has the highest index of doctors of philosophy per capita in the world, with its high-level personnel being trained in the best universities. In the opinion of Prof Dourimar Nunes Moura, Brazil could benefit from the knowledge available there concerning problems affecting both countries, such as drought, overpopulation and rudimentary industry.

Also this year, Brazil will continue with the undertaking to persuade the Australian government to sign a scientific and technological agreement. That country could provide an excellent field of study in the farm, livestock herd and semi-arid regions sectors, but it limits its collaboration with the developing countries to a minimum.

"The United States and Europe hold a certain fascination for our scientists, who always prefer to live in Paris or New York to going to Bombay or Shanghai. However, we cannot remain so dependent on certain cultures, and we will diversify the centers of training for our scholarship students," Professor Dourimar explained. This policy also includes the bilateral agreements being negotiated with scientific establishments in Belgium, Spain, Holland, Ivory Coast, Paraguay and Kenya, apart from the arrangements for expanding cooperation already in effect with Germany and France.

5157

CSO: 3342/74

WAR MATERIEL EXPORTS EXPECTED TO TOTAL \$2.5 BILLION IN 1984

Rio de Janeiro O GLOBO in Portuguese 12 Feb 84 p 30

[Text] Brasilia--Brazil is expected to export war materiel worth US\$2 billion to 32 countries this year. This volume exceeds the 1983 figure by about US\$500 million, according to reports from military sources.

They indicate that the country may even reach an export level of about US\$2.5 billion in 1984, if some diplomatic resistance is overcome and if Brazil markets its war materiel to a broader range of Third World countries.

These figures are quoted with pride by these sources, which note that only coffee ranked higher in the national export list than armaments, for which the domestic production index ranges from 60 to 90 percent.

"And who in all logic can believe that we will exchange this domestic technology, which has cost us sweat, for imported technology?" asked our informant. Moreover, he added, it is technology which the Americans are no longer using, because they are in the "star wars" phase now, while we have not yet got off the ground.

On the international weapons market, according to a naval analyst, it may be worthwhile to attack a competitor, even ordering more weapons than he can produce. This is because when this demand is met, the competitor will have in hand a production unit which is outdated on the market.

"In this specific case--military technology--the Americans may even be our 'allies,' but they will not necessarily be our 'friends'," the analyst explained.

Stressing that when he joined the army in 1952, all of the weaponry used by the troops, as well as their transport and attack vehicles, were imported from the United States, one officer sought to demonstrate the difference today, 30 years later. Now our domestic war materiel sector produces 90mm guns, light and heavy ammunition, gasoline (which was also imported), combat vehicles and saturation rockets, as well as other equipment.

LOW COST OF LIVING INCREASE REPORTED FOR JANUARY 1984

Santiago TERCERA DE LA HORA in Spanish 4 Feb 84 p 7

[Text] The IPC [Consumer Price Index] increased about 0.1 percent in January. This is the lowest January rate in the last 24 years, according to Luis Gatica, head of the Price Department of the INE [National Institute of Statistics]. With this 0.1-percent increase, the yearly increase reaches 21.1 percent.

According to Gatica, the low January rate was due to the drop in prices in the food sector of about 0.8 percent. This was basically caused by reductions in the prices of greens, potatoes, tubers and fruits.

Gatica commented: "It is necessary to place this in a seasonal context. Last winter played bad tricks on farming. In the June-August quarter especially, there were excessive increases in different products."

Concerning the 0.1 percent IPC in January, he said the figure was "good" for all Chileans, especially those in debt in developments.

Remaining Sectors

The remaining sectors of the IPC had the following increases in January: housing, 0.4 percent; clothing, 0.1 percent; and miscellaneous, 0.4 percent. The latter was basically due to increases in subway, taxi and bus fares.

In general, 186 articles in the IPC went up in January, 101 went down and 60 remained the same.

IPM

The IPM [Wholesale Price Index] (which is traditionally considered to precede the IPC by one month) went down 0.4 percent in January compared to December.

The IPM had increased every month in the previous year with a change from January to December 1983 of more than 25.2 percent.

The decline in wholesale prices is basically due to the reduction in wholesale national products of 1.4 percent and the decline in agricultural-livestock

products of 6.9 percent. Wholesale prices of industrial products (up more than 1.1 percent), mining products (up 4.2 percent) and imported products (up 3.5 percent) increased.

The INE pointed out yesterday that among the imported products, there were substantial increases in wheat, up 1.5 percent; oil, up 9.3 percent; and imported tea, up 11.6 percent.

7717

CSO: 3348/271

LOW CONSUMER PRICE INDEX INTERPRETED

Santiago TERCERA DE LA HORA in Spanish 4 Feb 84 p 7

[Text] Different sectors called the IPC [Consumer Price Index] which only reached 0.1 percent in January a sign of the low purchasing power of the people.

Bakers

Francisco Bouzo, president of the industrial bakers, stated: "It is interesting for the industry to hear that the change in the IPC is so low."

However, in this leader's opinion, the statement by economic theoreticians that there can be revitalization in the country with this type of inflation is untrue.

To revitalize the country, it is necessary to put money in the pockets of the workers. The great majority have not had wage or salary increases for more than 2 years.

In Bouzo's opinion, such a low IPC is due exclusively to the fact that the people have no purchasing power.

Truck Drivers

Ernesto Riquelme, vice president of the Truck Owners Confederation, revealed that he would like it if the IPC in January was 0.1 percent in real terms. He said: "Without going into economic analyses that are not mine to make, this rate unfortunately does not match the reality we see daily at all nor what is recorded in our sector."

Economist

Jorge Leiva, economist of the Labor Economics Program, told TERCERA DE LA HORA that the low figures supplied by the INE [National Institute of Statistics] do not indicate that we have a healthy economy. He added: "We already had 6 months in 1982 with negative percentages. That was the most disastrous situation the country has had in its history. The figures must be analyzed from the standpoint of an economy that has a solid base. Based on the background provided by the INE, it seems that the most serious problem is lack of demand."

Trade

Jaime Perez, president of the Retail Trade Federation of Santiago, stated: "The January IPC is noteworthy in that it went down but we cannot question the good faith of those who compiled it." He pointed out that he does not know how the mechanisms that the INE uses work but, with the way the figures are developed, it is necessary to assume that demand is terribly limited. Perez said that there is no purchasing power. The merchants must absorb the difference caused by the price increases since if prices increase, purchases decline even more.

7717

CSO: 3348/271

BRIEFS

INE REPORT ON UNEMPLOYMENT--The unemployment rate throughout the country went down 1.3% in the October-December quarter compared to the previous quarter, September-November. Hector Kappes, head of labor statistics at the INE [National Institute of Statistics], reported this yesterday. The unemployment rate in the last quarter was about 14.6%; in the previous quarter it was about 15.9%. This means that 3,149,500 people are employed in the country now--that is, 40,500 more than in the previous quarter. The unemployed now total 425,100 people, 48,800 less than in the previous quarter. According to the INE, the decline in unemployment in this last quarter was due to the fact that there were reductions in unemployment rates in almost all the regions of the country (with the exception of Region IV). Unemployment went down 3.2% in Region I, 1.4% in Region II, 1.0% in Region III, 1.8% in Region V, 2.8% in Region VI, 2.6% in Region VII, 1.2% in Region VIII, 1.1% in Region IX, 1.4% in Region X, 1.6% in Region XI and 0.9% in Region XII. The Metropolitan Region had one of the lowest reductions at 0.9% while the rate in Region IV went up from 16.1% to 16.4%. In the Metropolitan Region the unemployment rate in the last quarter, October-December, was 16.5%; it reached 17.4% in the September-November quarter. The highest unemployment rate was in Regions II and V, 17.1%. It was also explained that the increase in employment in the country was mainly due to new jobs in agriculture and in industry. [Text] [Santiago TERCERA DE LA HORA in Spanish 4 Feb 84 p 6] 7717

CSO: 3348/271

INTERNATIONALISTS SAID TO NUMBER 15,000 THROUGHOUT WORLD

Havana CUBA INTERNACIONAL in Spanish Jan 84 pp 56-50

[Article by Javier Rodriguez: "Internationalism: A Model for Relations"]

[Excerpts] Cuba began to cooperate in the development of other nations 21 years ago. The more than 15,000 internationalist Cuban experts and specialists working in 30 countries are an impressive demonstration of a just policy that an entire nation has endorsed.

Cuba today has an array of experts and specialists who are prepared not only to resolve the problems that plagued the country for many decades but also to enthusiastically contribute their know-how and efforts to nations that need them.

15,000 Experts and Specialists

Fifteen thousand is a considerable number of experts and specialists. We would go so far as to say that it would be very difficult indeed to find that many in most of the so-called Third World countries.

Nevertheless, more than 15,000 Cuban internationalists are serving in Asia, Africa and Latin America.

The list of developing countries that benefit from this cooperation runs to more than 30, and the form of aid ranges from the sending of experts and specialists to scholarships and instruction, exchanges of documents and the furnishing of equipment.

The 1960's marked the beginning of this movement, whose pioneers were physicians and teachers, who were later joined by construction workers, agricultural, industrial and fishing experts, etc.

The practical definition of internationalism has always been quite clear to Cubans, and President Fidel Castro himself made it a point to reaffirm the definition at the closing session of the Fourth Congress of the Union of Young Communists (UJC) in April 1982: "To be an internationalist," he said, "one must be willing to give of oneself. One must even be willing to go without something."

He went on to say on that occasion: "It is simply a moral duty, a revolutionary duty, a duty of principle, a duty of conscience, an ideological duty..."

It is on the basis of these criteria that the internationalist movement has developed and that very difficult tasks have been undertaken under conditions that have at times been incredible but that have never impeded maximum efficiency.

Thus, while education in Cuba is available to all men, women and children who are capable of receiving it, thousands of teachers and professors in numerous disciplines are able to impart classes to students in Nicaragua or the People's Republic of Angola, to cite just two examples.

The same can be said of the more than 2,600 health care workers who in the farthest corners of the world and under the most trying conditions are demonstrating the triumph of Cuba's policy of health care for the masses.

If we turn our eyes to construction workers, the heroes of epic battles in the most difficult of terrain, we could cite the same line of reasoning, as complex structures, major communication routes and significant social projects take shape both in Cuba and in almost inaccessible regions elsewhere in the world, from dense jungles to burning deserts.

The examples are too numerous to mention. We will therefore cite just a few instances of the wideranging cooperation that many regarded as impossible for a small island in the Antilles that used to be plagued by poverty, lack of culture and scarce resources.

The Teachers

The news left us dumbstruck: counterrevolutionaries had murdered two Cuban teachers in Nicaragua, the small Central American country that is the scene of an extraordinary battle "to take the heavens by storm."

The murderers were trying to intimidate the 1,200 Cuban members of the Augusto Cesar Sandino teachers contingent, which is cooperating with the ambitious program set in motion by the Sandinist Government.

In response to this harsh blow, in a matter of hours 92,000 Cuban teachers told President Fidel Castro that they were prepared to leave for Nicaragua to replace their murdered comrades on their internationalist mission.

This enormous number of volunteers, which is no doubt unprecedented for this type of mission, reflects a determination not to abandon

the principles proclaimed from the time that the first internationalist teacher left Cuba to render services elsewhere in the world.

This was in 1973, when 40 teachers traveled to Equatorial Guinea at the request of the government there to teach classes in Spanish, geography, mathematics, physics, biology and physical education, as well as in the agricultural and livestock and industrial fields.

Later would come the formation of educational detachments, which brought together the many thousands of teachers and higher-education students who were continually volunteering for internationalist missions.

Thus were born the Frank Pais detachment of primary school teachers and the Ernesto "Che" Guevara internationalist educational detachment, which together comprised more than 2,000 teachers who headed off to Angola, where they are relieved periodically. In addition to teaching primary and secondary school, they work alongside other Cuban comrades who are involved in higher education or the training of Angolan professionals.

Later came the Augusto Cesar Sandino contingent of primary school teachers, which enabled more than 500 new schools to open their doors in Nicaragua to around 50,000 students.

Another example of the way in which Cuba is helping other nations in the field of education is the unique experiment of putting up foreign scholarship students on the Isle of Youth south of the Cuban mainland.

This is a program of scholarships awarded mainly to young people from poor countries. As of July 1983, 19,064 foreign students were studying in the modern schools built for that purpose on the island.

Room and board, medical care, clothing and footwear, transportation and cultural and athletic activities are all included free of charge. In addition, each scholarship student receives a monthly stipend equivalent to \$50 for personal expenses.

For the 1983-1984 school year, Cuba awarded an additional 5,680 scholarships to students from underdeveloped countries, raising the total number of beneficiaries to 25,000. Many are also engaged in advanced studies at university.

Physicians and Construction Workers

Physicians, nurses and health care technicians are another large contingent; more than 2,600 internationalist workers in this field are at work in 26 countries. The first brigade was sent overseas in 1962, when 30 physicians, 2 dentists, 14 technicians and 8 nurses began cooperating in Algeria's official public health care programs.

Later came solidarity with Vietnam in the face of U.S. aggression, as well as with nations such as Peru, Chile, Nicaragua and Honduras, which had been hit by natural disasters that caused them to seek international aid.

Cuba currently has more physicians working in the Third World than the World Health Organization does. The Carlos J. Finlay medical sciences detachment was formed. It comprises thousands of young people with high academic ratings and a devotion to medicine and represents an inexhaustible source of future internationalists.

The story of internationalist construction workers is just as beautiful, as this veritable army of creators is performing exploits on several continents.

Almost 8,000 specialists in this branch are at work today overseas on projects as important as housing, hospitals, factories, bridges, dams, highways, airports and water supply systems.

Construction work overseas has expanded without interruption since 1971, when Cuba donated six hospitals to Peru because of the earthquake that devastated the South American nation. Appreciable assistance has been given to countries like Angola, Ethiopia, Nicaragua, Mozambique and others.

The quality of the construction work and the proven willingness of the Cuban builders to perform the most complex tasks under complex environmental conditions speak for themselves.

Alongside the teachers, physicians and construction workers who make up the bulk of the internationalist contingent that is currently at work overseas, there is an entire legion of specialists and experts in various sectors of the economy who are making a contribution to the development of numerous nations.

Their efforts exemplify a just model of relations between peoples, a model devoid of exploitation or domination, a model to which the Cuba of today is committed.

8743

CSO: 3248/448

ARGENTINE GOVERNMENT SAID TO BE UNDER HEAVY PRESSURE

Havana BOHEMIA in Spanish No 5,3 Feb 84 p 68

[Article by Elmer Rodriguez, PRENSA LATINA correspondent in Buenos Aires]

[Text] The Deadline Is at Dawn

The title of this article has been plagiarized, and although for the time being it does precisely reflect the situation, it might in the not too distant future, because the Argentine Government has less time than it thinks to consolidate the country's fledgling democracy.

The Radical administration still retains its original charm. Nevertheless, the road it is on is riddled with pitfalls, most of which are holdovers from the military regime and which, if not surmounted, will be blamed on President Raul Alfonsin.

It is wild-eyed nonsense to speak of a coup d'etat in Argentina today, but it would have also been wild-eyed nonsense to say 6 years ago that the military's solid front would fall to pieces as quickly as it actually did.

The post-election truce of a sort is over. There is no government flank that is not under heavy pressure from the unions, the military or economic circles, and each facet of the Argentine problem could by itself cause an all-out explosion

This is not journalistic invention. The recently unified General Confederation of Labor (CGT) reflects the typical Peronist philosophy, and the government is Radical. The confrontations between the two are sharp but bloodless. I do not think that they will go beyond that for the time being.

If an average citizen wants to buy a sports jacket, however, it will cost him almost one-third of the average wage in Argentina. This simple example illustrates the low income level in a country that is accustomed to a high standard of living, which the military, its followers and its term of office almost made a thing of the past.

The issue goes even deeper, however, because labor leaders feel that the government is endeavoring to meddle in internal union life and to drive a wedge into the vast field in which Peronist fervor has always predominated. This is the main reason for labor's confrontation with Labor Minister Antonio Mucci and, by extension, with Alfonsin, the president and leader of the Radical Party.

The civilian government states, for its part, that it is only trying to further democracy and change in the trade unions, which have been a traditional source of political and economic power and featherbedding and which used to exercise such control that many do not want to lose their current positions.

For whatever the reasons, the fact is that there is a serious conflict going on between the government and the unions, a conflict that for the time being is taking the form only of declarations, grandiose threats and a gruff word here and there. The stage is not set yet for more bitter and dangerous incidents.

Generating worries and serving as a breeding ground for intractable labor leaders, the impoverished Argentine economy is the constant target of attacks from all sides. The program presented by the administration pleased almost no one because the argument was that it only offered guidelines and did not contain the visible means for its own implementation.

Halfway cures only cause the Argentine patient (that was how Alfonsin himself described the country) to make hesitant movements. It has not yet stood tall and begun to walk. It is unlikely that the patient is going to walk at the pace that the president would like, because inflation is exacting a terrible toll.

The signs of a recovery are not on the horizon, and the major businessmen and industrialists are worried; although they have not yet dared to come out openly against the program announced by the constitutional government, they are questioning it harshly.

When harsh measures are taken, the large interests that control the country's economy will be the specific sectors that are hardest hit. These interests are what people here call the financial homeland, a capital emporium in downtown Buenos Aires that is defended at all costs.

President Alfonsin himself categorically rejected the criticisms of his economic program, accusing his critics of being the "technocrats of failure" and announcing that "we are going to build the country that we deserve; it is going to be the Argentine miracle."

This is going to be a laborious task for the chief of state, who at the same time must take care of the touchy military flank, where

the main defendants in cases of human rights violations are putting together a cunning defense with an eye towards the formal start of the summary proceedings to which they will be subject on Alfonsin's express orders.

The administration is clearly pressuring the Supreme Council of the Armed Forces to begin the trials, which promise to be very long and complicated.

The Radicals need to consolidate democracy in Argentina, and one of the most important factors in accomplishing this is to punish those who engaged in violent repression during the military regime. The fact is that Alfonsin has to bring together all of the elements at his disposal to retain the standing that the country accorded him on that October election Sunday last year.

Time is not on his side, because as a prominent commentator asserted, he has less of it than he thinks. The truce could be coming to an end, "and the men of violence, having recovered from their scare, do not need much time to regroup and prepare for the next round."

In its efforts to move forward along a constitutional path, the deadline for contemporary Argentina is at the dawn of an unspecified but not too distant day.

8743

CSO: 3248/448

FENAPES BLAMES STATE BANK FOR BANKRUPTCIES

San Salvador EL DIARIO DE HOY in Spanish 15 Feb 84 pp 2, 39

[Text] The National Federation of Salvadoran Small Businesses (FENAPES), motivated by confiscations carried out by government-controlled banks, vigorously protested before the highest authorities.

The majority of the banking lawsuits are filed against the small and medium size businesses.

The wrong-headed stipulations imposed by those incompetents who have occupied the government office, they add, have permitted the country's situation to become very troublesome and have precipitated the bankruptcy of coffee growers, cotton growers, and also of importers, exporters and other sectors that have always been bastions of the economy and of the national life in general.

FENAPES says that a radical decision such as confiscation precipitates the imminent bankruptcy of small businesses.

The small and medium size businesses are planning an extraordinary session for today, Wednesday, with the purpose of making government-controlled banks and central government officials aware of the fact that small businesses comprise a large nucleus of merchants and industrialists established in the country and not a phantom group, as it is proclaimed.

Now, after ineptitude and greed have turned the country into an international beggar, they expect that as usual, the public will pay the piper.

They point out that not only is everything going against the country, an avalanche of taxes and surtaxes, but also a wave of confiscations against the small and medium size businesses, to put an end to the last bastion of working citizens of the country, who struggle to keep alive and achieve a still possible social and economic reactivation.

They say that it seems that what the government leaders want is to destroy this poor country completely and then hand it over to foreign forces which are actively working to achieve total hegemony over our territory.

They continue: "We are not and will never be in favor of the confiscations. We believe that the way the state-controlled banks are acting, using the money of the people to overpower them, is unproductive.

"At the present time the small and medium size businesses need help, they need refinancing in order to get ahead and in the future provide money for these institutions that survive and exist because of the people.

"But let it be understood that what the small and medium size businesses need is not charity, it is not to borrow money never to pay it back, as is the custom in high echelons. What the small and medium size businesses need is refinancing, money lent in addition to another existing loan, both to be paid at a later date," they pointed out.

9907

CSO: 3248/455

SCIS DISAGREES WITH MAGANA ON FIGAPE HEAD DISMISSAL

San Salvador DIARIO LATINO in Spanish 6 Feb 84 p 3

Text Disagreement between the small business sector and President Magana, whom the small businessmen rate as insensitive to their trade union ambitions, continues.

While the president of the republic, Dr Alvaro Magana, proceeded with the dismissal of Carlos Remberto Gonzalez from his position as head of the Small Business Financing and Security Fund (FIGAPE), the Society for Salvadoran Businessmen and Industrialists (SCIS) paid tribute Friday to Mr Gonzalez at the Camino Real Hotel for his good work.

The president of the SCIS, on referring to him, said: "In his work Carlos demonstrated integrity, loyalty to the small and medium size businesses to which he is committed. The figures are there to show that he came to FIGAPE when it had no liquidity and by working resolutely with a group of men, particularly with small business managers, he obtained a surplus, maintained up to the time he left."

After receiving a silver tray in recognition of his meritorious work, Mr Gonzalez talked about accomplishments during the 14 months that he held the presidency of FIGAPE, asserting that he had no need to carry out confiscations and that he increased the recovery levels of debts that seemed to be uncollectable.

During his administration more money was lent and immediate credit was given to businessmen in the eastern zone, all his work resulting in the ablest administration and the most sensitive toward the small businessmen that FIGAPE has had since its inception.

Carlos Gonzalez said that instead of being grateful for his work, President Magana chose to replace him with a person who does not represent the interests of the Salvadoran small businesses.

"I even had the premonition that some day he would invite me to have lunch with him," said Gonzalez.

A delegation of small businessmen from the country's eastern zone was present at the testimonial reception given to Mr Gonzalez at the Camino Real Hotel.

PRODUCTIVE ALLIANCE CRITICIZES FOREIGN MINISTRY

San Salvador EL DIARIO DE HOY in Spanish 15 Feb 84 pp 3, 26

Text From the Productive Alliance of El Salvador we have received a press release which reads as follows:

Due to the significance and importance that the Contadora Group has for our country, the Productive Alliance has deemed it urgent to report on the performance to date of this regional organization, especially on the positions taken by representatives of our government before said organization.

Representatives from the industrial sectors in Central America (Guatemala, El Salvador, Honduras and Costa Rica) issued an official announcement in Cartagena, Colombia, on 29 July 1983, which was approved in the last plenary session of the Latin American Conference being held in that Colombian city and which says in one of its sections:

"We ask all Latin American businessmen to support, in their communities and before their governments, our struggle to maintain economic freedom and a representative democracy in the Latin American region in view of the threat of terrorism and of Marxist violence.

"It is essential to restore peace to Central America, and for this reason we support the Contadora Group in their quest for peace, but this should be of a permanent nature and at the same time the result of a multilateral agreement between all the Central American countries.

"For this reason a definite and short-term system should be established to carry out the democratization process of the countries in the region by means of free elections, freedom of the press, of religion, freedom to unionize, and the rest of the individual freedoms that are suppressed in Marxist regimes."

A reasonable time has passed since the participation in that event of one of the sectors of the Productive Alliance, and now, with enough data on which to base our opinion, we can point out to our government that the Contadora Group has not succeeded in the search for peace in our country, especially in forcing the Marxist-Sandinist regime to stop giving aid to the terrorist guerrilla in our territory and to stop providing a refuge for the leaders

of the Salvadoran guerrillas. Paradoxically, violence has increased, as if the Contadora Group had an effect opposite of that desired. The Contadora Group and specially one of its members, Mexico, while saying that the war has been stopped, explains this by referring to the safeguarding of the consolidation process of the Sandinist regime, a regime divorced from the objectives of the Contadora peace initiative and one that encourages violence, destruction and death in El Salvador, Guatemala, Honduras and Costa Rica with the purpose of destabilizing these Central American governments.

As for achieving in the short term the democratization of the restrictive Sandinist regime, they have achieved the opposite, inasmuch as the Contadora Group does not exert effective pressure on said regime to return social and political freedom to the long suffering people of Nicaragua.

The Productive Alliance believes that it has the complete support of the productive sectors in the Central American countries mentioned above to reject the actions of the Contadora Group as an impartial organization for solving the problems of Central America, inasmuch as they have disappointed us with the results obtained until now, not achieving the democratization of the Sandinist regime nor a decrease in the scale of violence in El Salvador.

The Productive Alliance views with deep concern the conduct of our Foreign Ministry, inasmuch as it does not maintain a combative and firm position, denouncing in international forums the Sandinists as well as the partisan actions of the Contadora Group, that favor Sandinist-Communist regimes rather than representative democracies.

The Productive Alliance believes that we Central Americans should be the forgers of our own destiny. We declare our great concern for the way in which our Foreign Ministry has participated in the international events that have or could have a direct relationship to Central American countries and particularly to ours, and which are exploited effectively by the enemies of peace and democracy, as was the case with the inauguration of Venezuela's constitutional president, Mr Jaime Susinchi; Venezuela being a member of the Contadora Group, the subject of Central America was being discussed under accusations by Sandinist Commander Daniel Ortega, and we never heard a word from the representatives of the agrieve and long-suffering Salvadoran people.

9907

CSO: 3248/455

BRIEFS

FOUR NEW AMBASSADORS--The new ambassadors of Greece, Constantino Vassis; Turkey, Ahmend Asim Akyamat; CSSR, Frantisek Koucky; and Sweden, Johan Henrik Kirster, will present their credentials this week to Honduran President Roberto Suazo Cordova. [Summary] [PA092245 Tegucigalpa LA TRIBUNA in Spanish 24 Feb 84 p 25]

PINU BOARD OF DIRECTORS--The Innovation and Unity Party, PINU, has elected its board of directors: president, Miguel Andonie Fernandez; first vice president, Enrique Aguilar Paz; second vice president, Miguel Angel Pavon; legal adviser, German Leitzelar; treasurer, Jose Maria Lagos; assistant treasurer, Jorge Bickerman; board spokesmen, Carlos Humberto Matamoros, Olan Valladares, and Angel D. Vargas; political action secretary, Carlos Sosa Cuello; records and public relations secretary, Yolanda de Vargas; labor affairs secretary, Arturo Suarez Moya; propaganda secretary, Carlos Calderon; education secretary, Guillermo Casco Callegja; finance secretary, Virginia Lagos; and organization secretary, Carlos Fortich. [Summary] [PA092245 San Pedro Sula LA PRENSA in Spanish 27 Feb 84 p 72]

CSO: 3248/475

COLUMNIST QUESTIONS INVESTMENT LINK TO POLITICAL VIEWS

Kingston THE DAILY GLEANER in English 22 Feb 84 p 10

[Article by Carl Stone]

[Text] One of the real strengths of a genuine democratic system is that it permits parties and leaders with diverse ideas and points of view to enter the political marketplace, compete for power and offer voters a real choice between alternatives.

The danger, of course, is that divisions and differences on political ideology can become so sharp that it disrupts the necessary task of building national political consensus.

During most of the life of our two-party system our major parties have never been very far apart in their ideology and approaches to public policy, although consistent differences have always divided the PNP from the JLP.

Since the 1970's, however, these differences have grown wider as the PNP has reaffirmed its socialist commitment with a more radical twist than in the era of the elder Manley, and the JLP has moved somewhat to the right of its position under Bustamante's leadership.

But, whatever may be the rhetorical claims by these parties about their distinctive socialist and free enterprise philosophies, it is a myth and gross distortion for anyone to suggest that our parties are so far apart that national consensus on crucial priority areas of our national life is rendered impossible. More importantly, both parties exaggerate how far apart are the actual policies they implement when they come to power.

Australia, Canada, Great Britain and a long list of other liberal democracies among the industrial nations have competing parties whose ideologies and approach to public policy are no less sharply drawn or far apart than are the ideological differences between the JLP and the PNP. Yet most of these countries are models of stability continuity, notwithstanding the differences that occur in the policy priorities and emphases of their right of centre and left of centre governments.

In spite of these ideological differences between parties in the capitalist industrial world, investors proceed to invest without any strong fears that the prospect of making money will be seriously affected by changes in party government.

The JLP's Deputy Leader Charles (who is a man I like and respect) would nevertheless have us believe that the ideological divide between the PNP and the JLP is so farreaching as to pose a deterrent to foreign investment. He is not singular in this view. My UWI colleague Dr Keith Worrell also shares his views.

Frankly, I am not convinced that this view has any factual basis.

Foreign investors obviously fear regimes which carry out expropriation of privately owned productive assets. The PNP under Manley carried out no such policy in the 1970's. The PNP bought privately owned companies in the same way that the JLP has acquired Esso and other private concerns.

Indeed, the informal word I certainly have heard from many a Miami or New York based U.S. investor is that they were misled by the international media into believing that the PNP's approach to the state's role in economic matters was fundamentally different from that of the JLP under Seaga.

If indeed, the perception of investors was coloured by deep fears of the possible return of the PNP which might put their investments at risk why would so many investors have registered with JNIP and have been trying to get investment projects off the ground. If indeed Mr Charles and Dr Worrell were right none of these things would be happening.

It seems to me that a number of other important considerations are limiting the inflow of investment into Jamaica.

The country is well known to have a chronic balance of payments problem and a corresponding acute shortage of foreign exchange which has been the basis of the instability of its currency.

That factor alone will deter a great deal of investment interests being translated into capital inflows, especially after the losses realised by U.S. investors in Mexico. Within the region as a whole, there has been a massive repatriation of capital from developing countries to the U.S. inspired by fears that tight monetary measures, debt problems and acute shortage of foreign exchange will make it difficult for foreign companies to repatriate their profits.

Incidentally, within the region as a whole it is not only foreign investors who are generating this capital flight to the North American mainland as local business interests are also involved. In this respect Jamaica is no exception to the overall regional trend.

The fact that so many investors are showing interest in Jamaica is evidence of a remarkable level of success of the government's investment promotion policies, however limited might be the actual volume of the capital inflow.

High interest rates in the U.S. is also another factor limiting investment inflows into Jamaica.

Given these deterrents, if any real political fears existed, it is hardly likely that any investments would be coming in our direction.

With the demise of the leftist regime in Grenada, the deep uncertainties surrounding Nicaragua's economic and political future, and the political losses suffered by Cuba in the region, the Marxist left is clearly on the retreat. This is hardly a climate in which ideological fears about a social democratic party are likely to be a serious deterrent against investment.

The really fundamental differences between our major parties lies in the area of foreign policy and particularly relations with Cuba and the U.S. It is indeed unfortunate that both Washington, the JLP leadership and sections of the foreign press have tried to distort these differences to imply that Manley and the PNP are communist. Fortunately, developments over the past four years have served to put the facts as against the political fiction in clearer perspective and my impression is that extensive contact between foreign investors and Jamaica over that period has helped to bring them in touch with reality.

My own view is that this argument about PNP ideology deterring the flow of investments is just another political scapegoat being used to find an excuse for the fact that the rate of investments and its volume in terms of hard currency inflows are less than was anticipated by the JLP.

It is a dangerous line of reasoning reminiscent of what we used to hear from the PNP Left in the 1970's that there was no room in the country for anyone who was not a socialist. It could easily become the basis of a vicious propaganda line against those who believe in the PNP's ideology.

It is sheer fantasy for Minister Charles to believe (as the PNP's D.K. Duncan and others believed in the 1970's) that there is some way to once and for all settle the question of ideology.

Among the hard core supporters of the parties, ideological positions are sharply polarised and we can only eliminate either ideological tendency if we contemplate the physical annihilation of those who hold to these beliefs. I am sure this is not what the minister has in mind.

Most of us who make up the country's political community are pragmatists whose political commitment is to anyone who can create jobs, stimulate economic expansion, and restore life to our ailing economy. Our love of freedom and right to choice makes us reject suggestions implicit in Mr Charles' view and the arrogant views often stated by the PNP Left in the 1970's that the country only has room for one ideological point of view.

To believe otherwise is to be willing to sacrifice democracy on the altar of a dubious obsession with ideological uniformity.

CSO: 3298/568

MINISTER SAYS COUNTRY MUST SETTLE ISSUE OF IDEOLOGY

Kingston THE DAILY GLEANER in English 18 Feb 84 p 2

[Text] The time has come for Jamaica to settle once and for all the whole question of political ideology, says the Hon. Parnell Charles, Minister of Public Utilities and Transport.

As he saw it, the different political ideologies which existed were inimical to ensuring long term investment for the country. He added "I think we are going to have to take a decision as to what is good for this country ideologically so that whoever is in charge of the government; the hotelier, the investors, whether they be foreigners or Jamaicans--there is no question as to what Jamaica is going to offer them.

The minister was speaking on Thursday at the weekly luncheon of the Montego Bay Kiwanis Club held at the Wexford Court Hotel.

Mr Charles noted that he was not an advocate for a one party state and observed that the settling of the country's political ideologies was of necessity if Jamaica was to continue to build by both internal and external assistance.

The Minister's comments came against the background of what he described as the reluctance on the part of investors to make long term investments in a country which is yet to separate ideological question.

It was unfortunate, he said, that investors, including Jamaicans living abroad were fearful as to what would happen in the event of a change of government. Mr Charles said that he had no doubt that the previous government had the same problem as potential investors are always asking "what will happen after you?"

Mr Charles also cited other areas which he said needed to be dealt with if the country was to progress. These he said were resident and nationalist questions. Too many Jamaicans, he noted, spent time popping in and out of the country and at the same time exploiting the country by taking out much needed foreign currency.

He observed that irrespective of the measures that government might implement in efforts to build the economy, the nation was poised to fail if all were not willing to cooperate.

The government, he said, was aware that there was those bent on holding back the progress of the nation and noted that it was incumbent on all citizens to cooperate in efforts to face the challenges of the '80s.

He said that some of the policies implemented would not make the government a popular one but observed that social changes were often painful.

The government, Mr Charles said, was prepared to take positive steps and to lead without fear or favour even though it might mean losing its popularity.

CSO: 3298/568

LEGAL INTERPRETATION EXTENDS VOTER REGISTRATION PERIOD

Kingston THE DAILY GLEANER in English 22 Feb 84 p 17

[Text] Investigation carried out in legal electoral circles last Friday, revealed that while The Representation of the People Law requires that there should be an annual enumeration on the basis of which an official list of electors should be prepared, in practice, this process becomes subject to interpretation.

Sources close to top Government legal circles pointed out that because the law requires that the enumeration period lasts for one year, the conclusion of the process and the finalization of the lists, usually occurs at the end of the twelve-month after the commencement. So that the present enumeration, which began on August 22, last year, will not end until August 21, this year. The official lists which are produced on the basis of this enumeration, are not likely to be finally ready until August 21.

While the sources who were questioned about the process, would not be specific, it was learned that in practice, these official lists would serve for at least a year before the new enumeration exercise begins in August 1985. According to the sources, "to commence enumeration again on August 22 this year, would mean that this exercise would begin almost immediately the previous exercise had concluded, and even before the new lists had been used."

CSO: 3298/568

CANADA ANNOUNCES ASSISTANCE FOR VARIETY OF PROJECTS

Kingston THE DAILY GLEANER in English 21 Feb 84 p 15

[Text] The Canadian High Commission Office in Kingston, Jamaica, has announced the final list of projects funded as part of Canada's development assistance programme under the Mission Administered Funds (MAF) allocation for 1983/84 fiscal year ending March 31. These total J\$836,000 Canada's development assistance of Jamaica as a whole during this fiscal year will be approximately J\$51 million at current rates. The major components of this assistance are: food aid assistance; provision of fertilizer; mini-hydro construction; technical assistance to the Ministry of Construction/Works for bridge reconstruction; provision of hospital equipment; assistance to various Non-Governmental Organisations and Industrial Cooperation projects as well as small development projects through the Canadian High Commission's MAF programme.

The MAF programme is intended to provide an important element of flexibility to the structure of the Canadian International Development Agency's (CIDA) programme in Jamaica and provides the Canadian High Commission office in Kingston with an opportunity to respond quickly to local requests. Under the MAF programme the High Commission finances small scale projects involving economic, technical, educational or social development assistance for which Jamaica is eligible. Project assistance requests are approved by the Canadian High Commissioner and a Development Assistance Committee on the basis of written proposals received.

The following is the approved list of projects for the 1983/84 MAF programme to Jamaica totalling approximately J\$836,000.

JAMAICA MAF 83/84

Allocation: C\$350,000 Projects Approved to Date

1. Jamaica Society of Scientists and Technologists--publication of seminar recommendations.
2. St. John Bosco Farm--water tank and catchment for crops.
3. Immaculate Conception High School--science lab equipment.
4. Oberlin Health Clinic--construction of medical and dental clinic.

5. Infant Health and Welfare Unit--UWI--renovation of health care facility at UWI.
6. Meteorological Service Equipment--enhance computer equipment in climatology branch--designed to improve rainfall predictions.
7. Jamaica Society for the Blind--essential equipment for eye examination clinic.
8. CAST--Guidance, Counselling and Placement Centre--construction of facilities at CAST which will promote better services to students and public seeking employment counselling and education opportunities.
9. Scout Association of Jamaica--Tailoring Workshop--provision of tailoring equipment for youth training.
10. Moravian Church--Demonstration Farm and Training Centre--basic farm equipment and supplies as well as library equipment for centre.
11. Holy Trinity Secondary School--business, woodwork and machine shop equipment to expand school curriculum into practical skill training and employment trends.
12. Savanna-la-mar High School--construction of new classroom and expand facility offered to growing school population.
13. Maranatha School for the Deaf--small poultry rearing building and related equipment and materials.
14. Jamaica Reading Association--purchase of manual typewriter for primary school publication.
15. Tivoli Gardens High School--electronic equipment for workshop.
16. Kingston Public Hospital--equipment for Orthopaedic Department.
17. International Exposition of Rural Development--sponsoring of one Jamaican representative and related display materials and reports.

CSO: 3298/568

NEW ECONOMIC MEASURES NEED FOLLOW-UP STEPS TO BE SUCCESSFUL

Kingston THE DAILY GLEANER in English 18 Feb 84 pp 1, 3

[Text] The new financial measures imposed on January 24 by Government have little chance of achieving their aim of improving Jamaica's balance-of-payments position, containing inflation, and inducing the growth of savings, unless they are accompanied by companion measures in monetary, fiscal and exchange rate policy, according to a banker here.

Speaking at the GLEANER Brain's Trust held on Monday morning, the banker said that such simultaneous action is essential if the measures as set out in Ministry Paper 5, in the House of Representatives by Prime Minister and Minister of Finance the Rt. Hon. Edward Seaga, on January 24, are to have any great measure of success.

The measures include the imposition of a ceiling of 12 percent on the amount on which commercial banks as a group and each individual bank, may increase credit to the private sector, the raising of the overall liquid assets ratio of commercial banks from 36 percent to 40 percent, and the cash reserve ratio from 5 percent to 10 percent.

The banker told other members of the Brain's Trust including other bankers and private sector representatives: "In terms of whether or not the measures will have the intended effect, I think one of the problems we've suffered over the last months or so is that we have not as yet had the concerted action on a variety of fronts--monetary...fiscal as well as exchange policy, all moving simultaneously.

"I would like to believe that this time around we are going to see that. Ministry Paper 5 obviously deals with the monetary aspects of it, and there is no question in my mind that to confront the key problem that Jamaica is now confronted with, that is lack of foreign exchange reserves, it is necessary to slow the pace of monetary growth. I think that indications are that over the past year or so we've seen credit expansion in the range of 27 percent. Ministry Paper 5 aims at reducing that to a 12 percent level."

The Banker said he saw the measures as "a step in the right direction" but in his opinion, to have the desired effect that interest rates play a part in the spacing exercise, and in order to attract the volume of savings necessary, Jamaica may have to give "positive interest rates."

He expanded: "I think it is necessary that fiscal policy play a strong role. We would be probably seeing a fiscal deficit in the region of 15 percent of gross domestic product this fiscal year. That is not a sustainable level--not in a healthy economy. As a critical part of this overall exercise, I believe that it is necessary that we have an exchange rate regime that takes true cognisance of market forces. I think that if we're moving on these combined fronts, that we can look forward to better days, although it's gonna be a tough passing."

Another member of the Brain's Trust was baffled as to the objectives being met by measures outlined in the Ministry Paper especially, he said, "when you couple it with what I understand the new requirements will be for foreign exchange where you're required to put your money on deposit beforehand."

He said "certain sectors of the economy, particularly the manufacturing sector, with several factors of tight money, the high cost of funds, nonavailability of foreign exchange and the requirements of a deposit scheme, are going to cause great hardship to many people. I think you're going to find a number of companies really struggling for survival, especially in the manufacturing sector. Its the construction sector too that you're going to find some difficulties being experienced."

"With regard to fiscal policy, what I have seen so far gives me cause for concern. You hear a number of steps being considered with regard to raising additional taxes, and yet I have not heard any announcement as to how Government intends to trim its own service and the direction that some of these new measures are taking have caused concern to me. Hitting the tourist industry which is the one sector to which we're all looking for continued growth and additional foreign exchange is not to my mind a very good idea. To impose taxes in that area when they have already gone through a number of difficult years... I question the wisdom of that."

"Additionally, there is a whole deal of uncertainty about the place. First you hear one thing then, within weeks, it changes...all sorts of rumours of this and that... These factors will grow as the private sector becomes more and more concerned about where they are going with their businesses. If you don't know the rules of the game you simply can't play."

Another member of the panel agreed that one of the main problems with the recently announced economic measures is that it "did not reveal the whole picture."

He said "Ministry Paper 5 contained a series of measures that seemingly, were unconnected with other measures that ought to have been taken. It seemed from the Ministry Paper that the measures were not necessarily designed to hurt the productive sector, but there is nothing there to indicate what steps if any, would be taken to see that production would continue to move and not be stymied by these measures."

"We are still waiting to see what happens next. What is needed is one overall policy so that we can all plan our business. As it stands now these measures

are going to hit the productive sector very, very hard and some mechanism must be worked out to help us out of our problems."

But, noted another banking official, "there is no easy mechanism to prevent the type of problems being encountered by the manufacturing sector. Obviously if you're trying to bring the system into equilibrium some people are going to be hurt more than others, before everything levels off."

CSO: 3298/568

NEW CHAIRMEN NAMED TO BAUXITE, PETROLEUM BOARDS

Kingston THE DAILY GLEANER in English 21 Feb 84 p 1

[Text] New non-executive Chairmen of the Boards of the Jamaica Bauxite Institute, Bauxite and Alumina Trading Company of Jamaica Limited and the Petroleum Corporation of Jamaica have been appointed.

This was announced by the Minister of Mining and Energy, Senator the Hon. Hugh Hart, who was the former Chairman of these organizations but who resigned the position consequent upon his appointment as Minister.

Chairman of the Jamaica Bauxite Institute is Mr Oswald Dunn, a distinguished member of the legal profession in Jamaica and former senior partner of the firm of Dunn Cox and Orrett.

Mr Robert C. Humphries, who retired in December of last year as senior partner of the accounting firm of Price, Waterhouse in Jamaica, has been appointed Chairman of Bauxite and Alumina Trading Company of Jamaica Limited.

Mr W.A. (Billy) McConnell, prominent business executive and managing Director of J. Wray and Nephew Limited, has assumed the chairmanship of the Petroleum Corporation of Jamaica, of which he has been a director since January 1981.

In making the announcement, the Minister expressed his "sincere appreciation" to the new chairmen for making their "considerable talents" available to the respective organizations.

Mr Hart added that the Government and, indeed, the country was fortunate that persons of such calibre and wealth of experience had agreed to give of their time, energy and expertise in the national interest."

CSO: 3298/568

BRIEFS

PNP QUERIES--The party has called on the Government to give the people of the country information on the following: How is the surplus on the recurrent budget to be achieved? For example, what programmes will have to be cut and what levels of staff reduction in the public sector is contemplated? What is the import Budget for 1984 and how will it be financed? When will the revised 1983/84 fiscal Budget be presented? What is the present state of bauxite levy negotiations and when will the details of these negotiations be presented to the country? Miss Portia Simpson Vice-President of the People's National Party has expressed concern about what she termed the increased burden imposed by the Jamaica Public Service Company on its consumers with the new reconnection fees. Miss Simpson, who is the party's spokesperson on Women's and Consumer Affairs, said that the 40 percent increase in electricity rates for residential and business customers would have a consequential and substantial effect on these fees. Miss Simpson said she felt that to call on residential and business customers to pay reconnection fees, together with an amount equivalent to the previous three months consumption usage, was adding further hardships on consumers and she asked that the three month penalty be reduced to one month only. [Text] [Kingston THE DAILY GLEANER in English 18 Feb 84 p 2]

AUDIT REPORT EXTRACTS--Extracts 5 and 6 from 1983 auditor general's report--
"High Incidence of Fraud": "The high incidence of frauds and other irregularities disclosed by my audits continued to be a matter of growing concern. These related mainly to the misappropriation of cash, the theft and forging of cheques and improper payments. The Courts Offices continued to be a major problem area while serious irregularities were also observed in the Pensions Section of the Ministry of Labour and the Public Service, the Agricultural Workers Centre and the Trade Board. Most of the irregularities were facilitated by poor internal control and arrears in the accounting records."
"Poor Accountability on Foreign-Assisted Projects": "During the year under review I conducted audits of several projects being undertaken by the Ministries of Agriculture and Health with the assistance of loans and grants provided by a number of foreign institutions. In general the projects suffered from the following weaknesses:--(i) Poor control and accountability for assets costing millions of dollars. (ii) Inadequate local control over certain costs relating to the services of technical assistants. (iii) Serious delays in the draw down of loan funds which in some instances attracted a commitment fee. (iv) Unsatisfactory departmental check of the financial transactions and accounting records." [Text] [Kingston THE DAILY GLEANER in English 18, 21 Feb 84 p 1]

PSUM CENTRAL COMMITTEE HOLDS THIRD PLENUM

Pablo Gomez Cautions

Mexico City UNOMASUNO in Spanish 21 Jan 84 pp 1, 5

[Article by Julio Hernandez Lopez]

[Text] The third plenum of the PSUM [Unified Socialist Party of Mexico] Central Committee approved an analysis on the national political situation yesterday. It stated: "Mexico is waiting for political changes but the collapse of the official party system will not necessarily happen fast or catastrophically nor will a democratic system necessarily arise from it."

The text read by Pablo Gomez, PSUM secretary general, in the name of its political committee added: "Actually, the strongest trend at this time is toward bipolarization between the PRI [Institutional Revolutionary Party] and the PAN [National Action Party]. If consolidated, this would mean a new type of anti-democracy, a new form of absolute domination of political options."

Considered "one of the dangers of the current situation," the "new type of anti-democracy" would leave those who have different political positions from the alleged bipolarization "on the fringe of politics again," according to the document. Only parts of the document were made public yesterday. The complete resolution will be made public on an unspecified future date.

At the plenum, Gomez was heard to say that one of the characteristics of the current political situation is electoral fraud. Aimed mainly at the PAN and to a lesser degree at the PSUM, the frauds "create a tendency toward political violence." The PSUM leader stated that although the president of the republic "does not formally accept bipartisanship, neither does he accept a democratic pluralistic system for which the country is ripe."

Another report read at the PSUM plenum, although not yet approved, referred to the economic situation of the country. That document criticized the economic leadership of the country and presented arguments contradicting official statements proclaiming progress and recovery.

That report indicated that exports grew less than 1 percent and imports decreased about 50 percent. This brings to an end the "recovery of foreign

accounts" that the official spokesmen "pushed." It added: That "recovery is due to the sharp decline in general economic activities."

According to the PSUM, the celebration by the "government of the so-called inflation control is unjustified. Going down about 20 percent--from 98.8 to 80.8 --when there has been a sharp reduction in public expenditures and wages and when the economy was not paralyzed but actually shrunk is nothing to brag about."

The economic report continued that this year public expenditures will not be the traditional "lever to relaunch" depressed economic activity. "The economic recovery expected in 1984, however slight, will not come from the government if it carries out its announced expenditure policy." It will not come "from an increase in the real purchasing power of the workers or from foreign investment" either. It stated that the only possibility would be to promote economic activity through investments by the private sector.

To obtain this investment, according to the document, "the government is willing to make whatever effort is necessary in taxes, foreign currency, financing, wages, subsidies and political policy--that is, unquestionable security and confidence for the businessmen."

This analysis predicted: "This year will unquestionably be a good year for the businessmen. Culminating the policy begun 1 December 1982, they will be presented, on a silver platter, unprecedented blackmailing ability that they will undoubtedly try to use extensively."

At the plenum held at the Hotel Estoril, the PSUM members heard a report on 1983 electoral activities. It stated that the PSUM won 138,664 votes--an increase--in 12 of the 15 states where there were elections last year. The PSUM elected 14 local deputies, 94 aldermen, 7 municipal presidents and 1 syndic.

Martinez Verdugo on Stipends, Cooptation

Mexico City UNOMASUNO in Spanish 21 Jan 84 p 4

[Article by Julio Hernandez Lopez]

[Text] Slowly and unemotionally, Arnolando Martinez Verdugo talked about the party for which he was the 1982 presidential candidate. He recognized that there are problems but no immediate likelihood of schism. There is progress in the definition of the physiognomy of a party that advances with understandable, logical difficulties.

He acknowledged that the process of unity of the forces that formed the PSUM was never expected to "go great guns" or be "idyllic." He predicted that there would still be "very tense moments" in internal discussions. He gave not one but several criticisms. The organizations that merged into the PSUM are not considered enough and still do not have enough influence. There are inadequate channels of expression so that the members can influence the political line. The doctrinal principles must be "living practice." The middle classes that, until now, have been a worrisome source of expansion for a rightist party like the PAN have not been fought for.

In the cafeteria of the hotel where the third plenum of the PSUM Central Committee is being held, Martinez Verdugo established his position on the main topic to be discussed today: the stipends of the federal deputies and their collection. In some cases, the legislators themselves, no longer the party, collect them directly.

With the morning sun on his face, he explained that one form of corruption of the Mexican political system is cooptation of opponents to the system through participation in positions of popular representation.

He said: "The PSUM does not want these forms which are common to the system reproduced in it." He explained that if the PSUM sends its cadres to hold electoral positions, they must distinguish themselves from the rest of the organizations and practice their standards which are rigid. The deputy or electoral official must not set himself apart from his party comrades, enjoy prerogatives or have a different standard of living from a skilled worker.

There are deputies who no longer permit the PSUM to collect their stipends directly in order to give them the smaller part with the rest going to party finances. Arnaldo firmly opposed them. He proposed "educational measures" for those who violate the statutes which require the electoral official to give the major part of his wages to party work.

Arnaldo is 59 years old and has been a leftist for 38 years. He stated that the PSUM "has demonstrated until now that it is a viable, but immature party." This is mainly due to the persistence of some of the groups who created the PSUM.

"The great responsibility of the members, especially the current leaders of the PSUM, is to fully accept this reality and to progress concretely toward a new type of leadership. In other words, the time must come when the PSUM selects its own leaders, independent of the role they played in other organizations. We must consider the contribution that each one made during his struggle which at times was very lengthy. However, what counts is his contribution to the struggle now."

Mistakes of the PSUM?

"Well, I think the PSUM after it was formed has been basically correct. Naturally, there have been mistakes. It seems to me that these include the fact that, at times, it is forgotten that the merger process is still in its initial period. All the contributing elements of the PSUM are not sufficiently considered when drawing up positions."

It is not a matter of assigning leadership positions mechanically and directly but of "being very careful so that all who gave life to the PSUM continue to have a place....All the cadres, whatever their origin, must always be considered, especially since the groups are still very alive at this stage."

He denied that there are forms of authoritarianism, personal leadership or bossism in the PSUM leadership organs. He felt that "we legitimately need to

debate a lot" in the PSUM without shutting ourselves within the "walls" of programmatic or political definition.

Born in the small town of Pericos, Mocorito, in Sinaloa, Arnolando was the last leader of the Mexican Communist Party. He stated his concerns about the PSUM's trajectory.

"The PSUM must see itself as a party that acts and can become an alternative for the large majority of the Mexican people. In other words, it has to form a policy that covers the broad spectrum of social, political, cultural and ideological activity. It has to be the party that leads a restructuring in which each sector of our life is given room to make a contribution."

He smoked while he explained:

"We now have the element that much of the middle class opts for a rightist party to channel its discontent. I do not delude myself that since this discontent does not have a reactionary base in itself, it does not mean negative consequences for the country. It seems very dangerous to me when the vote of discontent is channeled through the PAN. It concerns me that we do not recognize this. The votes for the PAN, at times a way to have a useful vote, strengthen a rightist force like the PAN."

He whetted his statement:

"There is the consistent element that the left has not adequately drawn up a program nor had direct contact with those sectors that do not basically have any reason to support a reactionary party. We have to fight for those sectors. We not only must be defenders of the workers and peasants but also of that group, that large mass of the population, the middle classes. There has been work with one part, the intellectuals, but there are many other sectors--small industrialists, merchants, craftsmen, officials, etc.--for whom we do not have a policy based on reality. It might be hidden in some part of our program but it is not put into play in the political struggle. It seems that this is a weakness of the PSUM that we must work on."

Another problem:

"The PSUM does not use the wealth of its national program. We must demonstrate in practice that we are the real party of independence and complete national autonomy. There are many cloudy areas in our position that permit propaganda against socialism to continue exercising some influence."

Cordera Speaks of Leftist 'Immaturity'

Mexico City UNOMASUNO in Spanish 22 Jan 84 p 4

[Article by Julio Hernandez Lopez]

[Text] To Rolando Cordera, things are quite clear. "This is our main problem: If we do not assume that the original need for our merger process was to create

a national political force, really tied to and based on the popular movement, then we are going to be more and more distracted by what is called the internal struggle. At times, many times, it is not understood as a sign of political desperation."

In the lobby of the hotel where the PSUM is holding its third plenum of the Central Committee, Cordera expanded on his opinions: "I do not think we have any reason to despair politically, much less to internalize our relative inability to confront the problems that reality presents to us."

The coordinator of the parliamentary faction of the PSUM asked if it wasn't better "to assume that we have a problem that is called national reality and crisis in Mexico and then focus our energies basically on solving real problems instead of solving invented problems. No? Put into play this collective conscious desire that led us to the merger, elections and a major campaign. Put it into play again to make the party advance for the growth of socialism in Mexico."

Cordera, who is about to celebrate his 42nd birthday, was asked: Is there a tradition of dispersion in the Mexican left?

"Yes, although I would not call it a tradition. There are defects of the left as a whole, not just the Mexican left: division, factionalism and a tendency toward internal struggle. These are elements of the leftist movement, particularly the Marxist movement that has characterized it in many places, not just here."

After repeating the need for the PSUM to understand that "the main set of challenges are outside, not inside the party," he began to talk about the causes of those problems.

"I believe there is inherited bossism and ideological rigidity in the PSUM and the left. That exists in Mexico and we are in Mexico. We have no reason to be the exception. I think it is necessary to recognize--and it is not easy--that the left, as an independent political current that seeks its own program, has very limited development in Mexico. There is no tradition of an independent leftist political party that fights, let us say, electorally and institutionally. There is none in spite of the fact that the left has been in Mexico for many years. Instead of feeling that we are prisoners of a profound organic crisis, we should recognize that we have had very limited development, that we have barely begun to grow. It is not a matter of continuing some previous growth that cannot be certified by anyone."

Could it be called immaturity?

"I think so although it might seem paradoxical since the Mexican Communist Party was the first party this century and there was a clearly protosocialist current in the 1930's and Lombardo Toledano. Despite all this, I think we will have to continue speaking of immaturity in terms of political development. There might be a very serious problem that we would also have to fully recognize: we are culturally a very backward left, not in the sense of being bookish which would not be bad but from the point of view of our cultural

development, the cultural situation of the left. There is a noticeable lag compared to the country now and, obviously, the world and the leftist movement itself in the world today."

Cordera was asked what consequences could result from that immaturity at a time of growing electoral participation in Mexico. Dressed in soft leather shoes, tweed pants and a wool sweater, he answered:

"There would be an isolation of the left. A return to isolation would be very serious. Now I don't think that this is fatal or likely. I think it is most likely that we will advance. However, it is worrisome that the political tempo is very fast and we are not going at the same speed."

Cordera stated further:

"I believe the essential task of the left is to become the force par excellence of the democracy in Mexico. That means changes in culture, language and organization and development of its program of democratization. It must accept the need in Mexico for a different type of development. This means designing a policy of in-depth reforms in the social sector, in services, in the way the country is organized, in the allocation of resources. I think we are living in a time when this social backwardness in Mexico is becoming obvious to many, to the large masses. I believe that the left is the best equipped, for ideological, cultural and traditional reasons, to reform large areas of the social sector in Mexico."

The obvious question is: How will the electoral rise of the PAN be counteracted?

"I don't see any other way than to open ourselves up and adopt acquiring an electoral presence as the priority for the leftist parties. To counteract the PAN, we must grow as a party and understand that elections are not incidental, an event that occurs every so often. They are a consubstantial part of the democratic way to transform the country."

He mentioned that there must be no "letup in the active and, at the same time, sincere and genuine participation of the left in the popular movement." In other words, he continued: "The left cannot view the popular movement as its electoral reserve or as a reserve for who knows what revolution. The left must view the popular movement as its essential habitat and view it as the subject of change, not the caboose that the locomotive called the left pulls. The left must recognize that the popular movement is the subject of change and it must work with it."

Another of Cordera's statements was that "the left must see itself as a project with a vast popular and national scope, not classist in the narrowest meaning of the word. Through its program, its language and its behavior, the left must be capable of attracting vast layers that we call the middle class, not having a better term. It must consider these not as eventual allies but as a necessary part of an alternative national project."

A university professor and recognized economist, Cordera admitted that the PSUM has "a very serious flaw" in its relations with youth. This must be taken into

account "frankly, fearlessly. Also the Christian world is a stratified world." The PSUM cannot lament unsuccessful laic attempts at Jacobinism. The internal disputes of the PSUM, although difficult, are not "as serious and deep as it might seem."

Before the PSUM plenum resumed work, Cordera stated:

"No, I don't think it can be said today that we are living in a situation of irrational and naive stubbornness to achieve unity in the PSUM. I think unity is necessary. For it to be adult and mature, it must be diverse and pluralistic and that takes a lot of work. This puts the need for democracy first."

Then the discussion on the sixth floor of the hotel began again.

Crisis Seen Offering Opportunities

Mexico City UNOMASUNO in Spanish 22 Jan 84 pp 1, 5

[Article by Julio Hernandez Lopez]

[Text] A report on the 1983 electoral campaigns approved yesterday by the PSUM plenum mentioned that, although the progress of the minority parties in attracting votes is not "significant in itself, the opposition is advancing and the PRI regressing." However, it recognized that, in spite of the percentage and real increase in votes for the PSUM, "the gap" between the votes for this party and the PAN "continues to widen."

The text originally presented for discussion by the PSUM leadership indicated: "Today it could be said that the PRI grave is being dug in the municipalities." The importance of the electoral struggle is "accentuated" by its close link with the "current political crisis." The elections are producing reactions that range "from unspoken discontent and votes for the opposition to actual withdrawal and affiliation with or support for other parties."

In this context, it added, the PSUM and the left "must redouble their electoral aggressiveness" in the quest for the following objectives:

To stop the process of bipolarization and bipartisan trends by increasing their presence and political influence.

To publicize among the masses the only program that is completely democratic, different than the PAN whose democracy is superficial and antipopular.

By merely being in the fight, the PSUM and the left will be in the position to affect the course of the political crisis since this would be solved by democratic progress.

It then explained: "Merely being in the center of the political and electoral struggle, the PSUM will be in the position to encourage the process of ideological, political and organic division being generated in the social sector and other organizations under control before."

According to the document debated by the PSUM, the left, particularly the PSUM, "never had such favorable terrain--fertilized by the economic disaster and the crisis of the PRI bureaucracy--in order to develop its concepts among the working masses and become a basic force in the Mexican political spectrum."

The document stated that spectacular election results from propaganda "miracles" and other types of surprises cannot be expected. "Neither can we resign ourselves to a snail's pace when the entire situation requires us to advance boldly to defend the working class and popular interests." There must be "an effort by all the party to grasp the specifics of the electoral struggle today."

"In an environment polluted by decades of anticommunist propaganda, the PSUM must try to counteract and neutralize the negative connotations spread about our presence alone (symbols, for example) simplified into totalitarianism, ideologism, foreignness and terrorism in their pejorative sense."

Another part of the document that, with corrections and additions, was voted on yesterday by the PSUM plenum examined the main facts and trends in the recent elections.

Under the thesis that "elements of political crisis in our country" continue and develop, it pointed out PRI defeats in several states. It indicated: "The immense majority of the electoral confrontations that acquired national political importance ended in defeats for the PRI, whether or not these have been recognized by the government."

Also it "pointed out the rise of the PAN as an electoral alternative of the masses and main capitalizer on the political and social discontent."

All this occurs "within a context of a global turning to the right. The position of the government is becoming openly counterreformist. This is shown by its rejection of the progress and actions that accompanied the political reform of the previous administration and by the manipulative and antidemocratic way in which the application of the constitutional amendments to Article 115 have been handled at the national level."

"The successive defeats of the PRI have led the government to commit systematic electoral frauds (often accompanied by political violence). These constitute, as a whole, an element of political involution. No one has yet measured the true dimensions of the consequences. This process of vote adulteration started with the abusive and excessive use of government resources to insure results favorable to the PRI-government."

The last fact to be pointed out is "the increased popular resistance to vote stealing as well as repercussions on the public opinion organs. This was best demonstrated in Sinaloa, Oaxaca, Puebla and Guerrero."

It also said: "It is a fact that the PRI has already suffered a rapid and violent decline in these latest electoral confrontations, so much so that the government has been forced to consider elections that, in another situation, would be merely tactical as strategic battles. It is not that the government is not willing to give up anything. It gave up in Alcozauca and Tehuacan."

The frauds, "each time more cynical and violent, serve to prevent the crisis of the PRI and the government electoral machine from becoming more obvious. They have the effect of worsening, although still hiding, the causes and elements of a political crisis that continues to run its course."

At the bottom of the PRI defeats lies the growing rejection by the people "of rhetoric so worn out and empty that it makes them sick" and "the uncontrollable aspiration for democratic forms of coexistence and government that the PRI not only cannot satisfy but each time more openly negates."

The PSUM election report stated that the PRI "is becoming, within the context of the crisis and its own crisis, more and more a foreign body to society, an organ further away from the interests and aspirations of the popular majorities and even important segments of the bourgeoisie."

Part of the report was left out. A new draft that was not made public was proposed. The point taken out of the report indicated "weaknesses" in the defense of the Juchitan struggle like "the refusal of the majority of the PSUM parliamentary group to mobilize en masse for Juchitan."

Decision on Stipends; Plenum Ends

Mexico City UNOMASUNO in Spanish 23 Jan 84 pp 1, 5

[Article by Julio Hernandez Lopez]

[Text] Just before the third plenum of the PSUM Central Committee ended--one day earlier than planned--the case of the deputies who withdrew the letters of proxy so the PSUM could collect their stipends was discussed. The extreme positions that asked for expulsion of the legislators violating the statutes were defeated by a "flexible" solution. They were asked to reinstate the letters of proxy and an overall analysis of wages for popular representatives and professional leaders of the PSUM was proposed.

Although the closing of the PSUM plenum had originally been planned for yesterday, the meeting was closed Saturday night after a large majority rejected the proposal that deputies Daniel Angel Sanchez Perez, Pedro Diaz Bonilla and Raul Rea Carvajal be expelled from the PSUM for refusing to permit the party to continue to collect their wages as legislators (300,000 pesos per month in round numbers). They were given 45,000 pesos while the rest was kept for PSUM finances.

Actually, the "flexible" solution to the problem will permit a reevaluation of what the party should do to pay officials (federal and local deputies and aldermen) and its /professional/ [in italics] leaders.

The establishment of mechanisms "to recover" the stipends that the deputies have already received outside of the statutory procedure implemented by the PSUM will merit a special section.

The plenum also felt that if the three legislators involved do not heed the call to reinstate the letters of proxy in the Chamber of Deputies so that the

PSUM can again collect the stipends, the next plenum will simply apply the statutes--that is, will vote for expulsion.

Also the decision to end the third plenum early left the debate on two topics for the next meeting: the question of party propaganda with special attention on the press; and the proposals to amend the regulation on the functioning of the Central Committee itself.

Apparently the two topics are not as important as the other matters discussed in the plenum: the reports on the national political situation, 1983 electoral activities and national economic problems; the work program and schedule of activities for 1984; and the approval of 1983 expenditures and the 1984 budget. However, the two topics had a reference point, according to some participants: a policy of silence by the group headed by Alejandro Gascon Mercado.

According to unofficial comments, the "bloc policy" that had its best expression at the Second National PSUM Congress was again present in this third plenum. Basically, the topics proposed had run the risk of being approved without discussion and also without real acceptance. There was also the risk of provoking dangerous debates considering the current internal situation of the PSUM. Better definitions would be requested for the topic of propaganda and the press and different forms of representation that will truly reflect the internal balance of power would be proposed for the functioning of the Central Committee.

The document that served as the basis for discussion at the PSUM plenum stated: "There are still many signs of bureaucratism and negligence by the political committee, the secretariat, the electoral sector and the system as a whole for the electoral struggle in the states."

However, even though the PSUM electoral activity "was not free of mistakes and flaws, that action did meet essential requirements like understanding the electoral struggle as the essential and privileged terrain, to a certain degree, of the class struggle."

Another point mentioned that "the electoral struggle is not opposed to the struggle of the masses." "Sensitive political activity open to all alliances based on political and programmatic agreements that serve to reinforce the left and the popular sector and take forces away from the bourgeois parties" must be continued.

There must also be "awareness of the political importance of fighting the government and the PAN for each position and each vote. This has its expression in the quality and intensity of our electoral propaganda, in the democratic procedures for the selection of the best candidates and, finally, in defense of the vote during and after the elections--that is, the so-called technical question."

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CSO: 3248/456

PSUM FACTIONAL LEADERS DISCUSS PARTY WEAKNESSES

Jaramillo: Breakdown of Unification Process

Mexico City UNOMASUNO in Spanish 23 Jan 84 pp 1, 6

[Article by Julio Hernandez Lopez]

[Text] We met with Roberto Jaramillo in an old building on Calle Donceles. He was accompanied by six youths whom he also wanted interviewed. He gave the initial warning that he preferred to answer the questions of the reporter in writing. Jaramillo spoke slowly, very slowly, about the problems of a party, the PSUM [Unified Socialist Party of Mexico]. He still belongs to it and is even a member of its Central Committee. However, he no longer participates in its meetings, decisions and actions because he was "practically ejected."

Stating that he was grateful, he gave the interviewer a document summarizing his philosophy. The lavishly prepared and tiresomely expressed answers were fortunately summarized in the text. It stated that the increasing problems of the PSUM "have generated antagonistic positions that reveal political decomposition, perversion of the principles and general confusion."

One serious mistake of this party that held the third plenum of its Central Committee without Jaramillo was to "violate the merger process by taking unilateral positions--haughty, arrogant and totally different from the way of life of revolutionaries--and violating the original bases of the unity of the political organizations."

The building is the headquarters of the PSR [Revolutionary Socialist Party]--which kept its registration as a national political association--and the six youths are members of the PSR leadership. There was a red star on Jaramillo's shoulder with Karl Marx in the center.

"The events in the PSUM from before the first congress until now have revealed the grave responsibility of those who theoretically and in practice torpedoed this process. There are no visible attempts at correction, even though experience has demonstrated the failure of that policy."

Jaramillo's first statement lasted 25 minutes with the tape recorder going. At the beginning, he explained that his analysis came from someone who did

not know "the latest internal questions that have been presented." He repeated predictions of a PSUM disaster:

"Since before the first congress, there were methods and forms of internal procedure that, in my opinion, already violated, perverted, the integration process of the party. Even then carefully analyzed internal questions indicated a problem that, if not corrected, would eventually cause very serious harm to the unity."

Dressed in a red polyester shirt and blue pants and with a German calendar on the wall to his left, Jaramillo continued:

"Therefore, I attended the party meetings quietly to hear what was said there. I felt that internal conditions did not exist for correction of the, in my opinion, mistaken conduct. Perhaps I hoped that leaders with more influence and responsibility would reflect on what was happening and try to correct it so that there would not be frustrations, so that the internal problems would be solved fraternally and so that the role of the party and its ideological differences would be more clearly defined."

Now Jaramillo is totally out of the PSUM and only belongs to it formally:

"It would be enough to observe reality, the facts, the role that the party is playing for us to realize that the critical reflections we made at the time were not wrong....There is no satisfaction in being right in our statements. We regret that they did not listen to us in time...."

As he drank coffee, he added:

"In our case, we did as much as possible to contribute honestly, honorably, to unity. We had years of discussion about this. We thought what the Coalition of the Left did was useful....Then when we expressed criticisms, the response was aggression and hostility. It was as if one force had decided that instead of uniting, it was necessary to push away those who had merged in order to control the system. Therefore, the majority of our comrades, one by one, were practically ejected. No one wanted to leave. Many did not join, of course, but no one wanted to leave."

Fault of the PSR?

"The PSR does not have any responsibility for what is happening in the PSUM. If it was at fault, it would be because it did not assume a publicly defined position before the first congress."

However:

"It was considered right to wait for events themselves to demonstrate that, to a great extent, we were right. It was said that nothing would have changed if after the congress (knowing how it was prepared and what happened there), I continued to participate in the carnival of speeches at the Central Committee meetings, a type of catharsis. It would have been like taking a compromising

position or one of complicity, joining in the internal rematch, losing time and resources in the alleged quest for total control of all the leadership systems and organs. If we had acted that way, we would only have legitimized the deviations and the confusion of the principles. The internal mechanisms created allegedly democratic procedures when the manipulation and control of the cadres were obvious."

The text he gave us contained official resolutions passed "in the meeting of PSR members held 24 September 1983." They remain in effect, according to Jaramillo. He stated:

"The well-known decision, never mentioned, of not withdrawing the PSR registration as a political association was right. The fact that we did not obtain registration as a party was recalled. This was due, among other reasons, to the maneuvering of comrades with whom we agreed on the merger when there were favorable conditions that other political groups capitalized on."

Another consideration:

"The tactics of some PSUM leaders are to radicalize the line facing the present situation. This introduces more confusion among the members since the conditions of the party, lacking structure and trained cadres to act with vision and firmness in the fight for socialism, can only lead the people toward innocuous opportunism of the left and toward the tendency to build a gelatinous and weak organization."

Also:

"As events demonstrate, the present PSUM has been reduced to a single current with some hangers-on due to ideological agreement or for tactical considerations in their fight for internal control. This current, that of the former Mexican Communist Party, is not totally homogeneous. It basically unified to impose its ideas on the merger on others. This was nothing other than assimilation. For this reason, all the inconsistencies and the cavorting in the newly imported revolutionary theory of socialism were transferred to the PSUM."

Jaramillo was asked: Why haven't you resigned from the PSUM? He answered:

"Resign? Why? There are those who say that I am not indispensable, not even necessary. No one is interested in my resignation."

Are you going to resign?

"Yes, I think so."

Jaramillo recognized that he harbors one hope: that the PSUM leadership think carefully and begin a period of in-depth corrections.

The interview ended without the six youths speaking a word, contrary to Jaramillo's statement at the beginning. The PSR secretary general remained there at the worn out wooden desk with his black leather bag at one side and folders just within reach of his left hand.

Gascon Mercado: Insufficiently Representative Leadership

Mexico City UNOMASUNO in Spanish 24 Jan 84 p 4

[Article by Julio Hernandez Lopez]

[Text] Within a framework of "prudence," Alejandro Gascon Mercado--considered head of one of the two basic currents confronting each other within the PSUM--made the following statements about his party. The leadership lacks experience and representativeness. Some former members of the Mexican Communist Party have always determined the course of the PSUM but now control remains in a small group. The party's problems are normal but it is not normal to allow them to grow. It is necessary to establish new forms of representativeness to keep some from appropriating the leadership and eliminating the others. The statutes are not Moses' tablets; others must be drawn up. The stories about serious opposition to Pablo Gomez, PSUM secretary general, are merely inventions that form part of the political soap operas in the Federal District.

Gascon was leader of the PPM [Mexican People's Party], a schism of the Popular Socialist Party after the elections in which he was candidate for governor of Nayarit. He denied that there is a bloc policy in the PSUM and explained that actually there are "ideological and political currents that formed in the PSUM itself." After the warning that "nothing that is happening" affected him, he proposed that channels of expression be constructed in the PSUM "so that there is complete democracy."

Is there dogmatism or authoritarianism in the secretariat of the PSUM Central Committee?

"I think it should be said that there is inexperience...and I would leave it at that."

Then, what are the main problems of the party at this time?

"They are construction problems. For example, there are comrades who think that a member of the PSUM must know its programs, statutes and principles very well and be trained for ideal party life. That would mean a very small party. We think all Mexicans who accept its principles and its program, independently of whether they are perfect members, should join."

He thought and then continued:

"If we set requirements to be a member in this party, then other organizations will be able to develop and grow. Then the million sympathizers who voted for us will remain unorganized. I think it suffices to like this party in order to have the right to join it."

He cited another concern: inadequate representativeness in the party. He said that there are 15,000 members in Nayarit where he heads the PSUM and "soon" there could be 50,000. In other states, there are only hundreds or dozens of members.

In Mexico there are many socialists who agree with us. They should be helped, not have the door closed in a sectarian spirit because of the custom of belonging to small clubs. These invent reality and then begin to act on the fabricated reality.

On the contrary:

"A party is needed that is open to the life of Mexicans everywhere, on all sides, and fights with an accessible program and with a strategy and tactics that the people can easily understand--all Mexicans, intelligent or not."

While it is discussing, is the PSUM losing its social base?

"What happens is that we are not discussing enough. It seems to me that we are speculating. Discussion is a well organized thing and we have not organized any discussion. We have not lost anything yet. We simply have not created the appropriate mechanisms to win everything we have to win, everything that is ours. It is necessary to organize. No one should be surprised that we have different points of view. If we held them for 50 years, how are we going to change so rapidly without organizing a real discussion? In this party, everything remains to be discussed and organized."

Could you specify your opposition that, according to others, you have against the PSUM secretary general?

"I think...the life of a party...has its mechanisms...that must be respected just like the intimate life of a person or a family....Soap operas regularly reflect what happens in the intimacy of a family and, therefore, are so successful. I don't know if a soap opera has been done in the province but I am sure that the great majority of them are made in Mexico City. It is very normal, then, that in party circles in Mexico City they speak of all these things and give many interpretations. The truth is that I don't talk with anyone about this. In other words, these are merely fabrications. I am used to giving my opinions to people who can offer some answers to the points of view I present....I am concerned by the lack of representativeness in the current leadership because those who should be in it are not. However, that should be solved politically. That does not involve the qualities or flaws of anyone in particular. In politics that is not important to me. I do not have anything against anyone or for anyone. I am concerned about the party, about my country, about socialism. I am not concerned about little things...."

Are your concerns expressed in a policy of bloc voting?

"No, I feel our topics have become impoverished but we are capable of enriching them. I don't think there is a clear position of voting in one direction or another."

It is said that you, your comrades from the old PPM and other currents that have shown agreement vote exactly the same on the discussions, the same number in one direction or another. Are there instructions about that?

"No, what happens is that the action of others is attributed to us. There are comrades who are in constant contact with you journalists. They weave many tales. The truth is that I, at least, do not have double membership; I am not a member of the PSUM and a party beyond the grave. To me, the PPM is gone. I have never met with my comrades from the old PPM to make an agreement. Never. No one can say I am not telling the truth....What happens is that those who came from different parties, those who were members together for dozens of years, agree on things. There is nothing unusual when a question is presented and votes agree. That is real. It is not possible in this party to form a bloc which is mechanical, artificial and arbitrary. No, what have been formed are currents of opinions, not based on ideological matters but based on the criterion used to construct the party....Of course, almost all of us are part of those large currents within the PSUM. I think the time has come to discuss all this in depth, trying to strengthen our political unity more and trying to unite ideologically."

He felt that the problems of the PSUM will be solved in the medium term. "Right now" he has no interest in leaving the PSUM. Gascon then analyzed the future of his party:

"I believe it is necessary to sit down and think, discuss in depth without a sectarian spirit, with the experience we already have in order to solve this. It is necessary to consult all the party leaders throughout the country in order to find the mechanisms for reopening discussion of these matters. It is necessary to make agreements; it is up to us to do it. I don't think we will have problems."

He stipulated his position:

"It is necessary to structure a set of agreements, those that should govern our action and our way of life, and continue trying everything until it is assimilated. I don't think everyone is right. Today we are partly right, probably, and we have to structure what is right for all. That will be the PSUM. When that happens, this party will be different from what we constructed in the past."

Last, Gascon explained:

"Other concerns? Well, I could state them as passing commentary but in a press statement....To take the intimacies of this party to the press seems inappropriate to me, in poor taste. No one receives anyone in his house, any guest, clad in his underwear; there are certain forms. Therefore, I think those who are not careful about this are inexperienced people. They are not constructing the party but superficially living a partisan life. They make an anecdote out of basics. I don't do that. It is senseless...."

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CSO: 3248/456

SEVEN STATES TO HOLD ELECTIONS IN 1984

Mexico City UNOMASUNO in Spanish 19 Dec 83 p 4

[Text] In 1984 there will be elections in the states of Hidalgo, Quintana Roo, Nayarit, Mexico, San Luis Potosi, Yucatan, and Coahuila. In five instances town councils and state congresses will be reconstituted; and in San Luis Potosi, only five state congressmen; in Coahuila, only municipal authorities. According to forecasts of the electoral offices of PRI [Institutional Revolutionary Party], the biggest problems might surface in the State of Mexico, in Yucatan, in Coahuila. The coming year's first electoral contests, on 15 January, will be in Hidalgo, where 19 deputies, 15 on a plurality basis and 4 on a proportional representation basis, will be elected. Then follows Quintana Roo, where on 4 March, votes will be cast for 11 plurality and 4 proportional representation seats, plus 7 town councils. Nayarit is another place where calm is expected, although the socialist current headed by Alejandro Goscon Mercado could provide considerable opposition through the PSUM [Unified Socialist Party of Mexico] ticket. In Nayarit, on 3 June, 15 plurality and 5 proportional representation deputies and 19 town councils will be elected. PRI's first difficult election will be on 1 July when in the State of Mexico 18 plurality and 9 proportional representation deputies will be elected. There, traditionally, formidable problems have been reported, as much during the time prior to the PRI selection of candidates as during the voting and the taking of office. At the present time, the appointment of the PRI delegate who will oversee the entire process is awaited, and on the other hand, Senator Miguel Borge Martin is serving as a delegate of CNOP [National Confederation of Popular Organizations], in a situation where in the state the importance of the middle class is growing and it is a noteworthy fact that in one electoral district, the 19th, the PRI was dealt its only defeat in the last federal deputy elections, when Armando Mandujano Gordillo, editor of the newspaper, ECOS, under the banner of PAN [National Action Party], won a plurality seat against PRI member Julio Zamora Batiz, former ambassador to Nicaragua. On 5 August, the people of San Luis Potosi will have to elect 11 plurality and 9 proportional representation deputies. Here the threat is the presence of the San Luis Potosi Civic Front [FCP], a multiparty organization that in December 1982 brought to the municipal presidency of San Luis Potosi Salvador Narva Martinez, over PRI member Gonzalez Larraga. Although the Mexican Democratic Party has announced its preference for presenting its own candidates, the FCP aspirants to the seats might be registered under the PAN name. The decline of Governor

Carlos Jonguitud Barrios, and the problems in which the present legislature has been involved would provide the opposition with possibilities for winning, especially in the state capital. In Yucatan, where 3 years ago Carlos Castillo Peraza was running for governor, he will now run for the presidency of the Merida municipal council. As a matter of fact, Castillo Peraza is already running, although the elections for 13 plurality, and 5 proportional representation deputies and 106 town councils will be held 24 November. The PRI Yucatan organization has been especially unstable during the term of office of Graciliano Alpuche Pinchon, with the added difficulty that at the present time it is led by federal Deputy Dulce Maria Sauri de Riancho, who is not inscribed on the lists of people enjoying the esteem of the state governor. Another relevant fact is the battle for control of the Yucatan Agrarian Communities League, an organization which at the moment is the reason for conflict between two different groups claiming the presumed leadership of the PRI agrarian sector. On 25 November, the State of Mexico will again receive attention, but now with the election of 128 town councils. The problems of that state are aggravated by the conflicts between PRI groups seeking to split the regions of the state and that, furthermore, are undertaking a variety of actions to create obstacles in selecting candidates, when they do not suit their interests. On 2 December, Coahuila will have to elect 38 town councils. The danger here is PAN [National Action Party], under the leadership of the former federal Deputy Edmundo Gurza Villareal. Monclova, a mining municipality, has been the site of victory for PAN in the last two municipal elections, and even if Cesar Garcia, the present council member--a worker at Altos Hornos, affiliated as a union member with Section 147 of the appropriate union, but politically linked to the Marxist Labor League, although brought to power by PAN, the party with which he finally clashed and from which he was expelled--will make no proselytizing effort to see that his successor is white and blue [PAN's colors], PAN strength around here is evident. It was right here that Pablo Emilio Madero started his presidential campaign in January 1982. Apart from Monclova, PAN will place special emphasis on Torreon, Saltillo, Piedras Negras, and other smaller municipalities. Evaristo Perez Arreola, the university labor union leader who was PSUM's candidate as municipal president of Nueva Rosita, has now formed an organization with which he seeks to participate in the next local elections. In Hidalgo there will be elections again on 2 December, but now for 84 town councils, and with that the 1984 electoral year will end.

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CSO: 3248/364

PAN, PSUM DENOUNCE 'CACIQUISMO' OF RULING PARTY

Mexico City EXCELSIOR in Spanish 17 December 83 pp 1-A, 17A

[Article by Armando Sepulveda]

[Text] PAN [National Action Party] and PSUM [Unified Socialist Party of Mexico] asserted yesterday that political and economic caciquismo is one of the basic pillars which sustains the PRI [Institutional Revolutionary Party] in the country's municipalities and affirmed likewise that the PRI caciques impose their will on state congressmen and mayors, increase their power using their money, and bring about, through their positions, the retrocession of the towns.

Deputy Bernardo Batiz, secretary general of the parliamentary faction of PAN, came to the conclusion that the only way to eliminate cacique actions "is for the authorities to decide on respecting the popular will." And he affirmed that the system has sustained "caciquismo" because its entire local politico-electoral organization rests upon it, as "a means of survival, as a last resource."

In a separate interview, responding to the president of the PRI National Executive Committee, Adolfo Lugo Verduzco (who criticized caciquismo the day before yesterday), the PSUM, through official spokesman Jaime Trejo, remarked on the difficulty of ending the cacique structure, "which is a control mechanism of the government party," if one considers that the PRI itself promotes it.

The PSUM official remarked that this phenomenon becomes more entrenched every day, especially in the countryside, where those who at once hold the political and economic power make the decisions in the towns and exploit the peasants.

The National Action congressman emphasized that Lugo Verduzco's statements reflect a "lack of honesty" in that the party favors and protects the caciques. For example, in Hidalgo, where the PRI leader was born, "a type of caciquismo akin to that of Porfirio Diaz is suffered."

He demanded of the authorities that the citizens be allowed the liberty of electing their representatives, through respect for the vote, so that this old phenomenon which causes so much harm to the people will disappear. Batiz further stated, however, that "since the government party is not sympathetic to democracy, "It is difficult for the country's communities under these conditions to be able to eliminate caciques. In the meantime, Trejo declared that caciquismo has always been useful to the PRI, especially in its policy for control of the peasants. The PSUM spokesman finished by saying that as long as the rural sector lacks support for emerging from the backwardness in which it finds itself, the caciques will further engage in exploiting it and hinder its development.

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CSO: 3248/364

ECONOMIST CITES BANK DOCUMENT ON DIRECT FOREIGN INVESTMENT

Mexico City EXCELSIOR in Spanish 18 Jan 84 p 7-A

[Commentary by Jose Luis Cecena: "Foreign Capital; Dangerous Dependency"]

[Text] Direct foreign investments (IED) in Mexico currently amount to approximately \$14 billion, according to Bank of Mexico data. Now then, what is the source of these investments and in what activities are they invested?

The detailed information provided by the Bank of Mexico for 1980 (the most recent) shows the following situation regarding these two questions:

Source of IED: The \$9.955 billion of IED in 1980 were distributed as follows according to country of origin: United States, \$6.591 billion, representing 66.2 percent of the total; United Kingdom \$668 million, with 6.7 percent; Federal Republic of Germany, \$613 million, with 6.2 percent; Switzerland, \$474 million, with 4.8 percent; Canada, \$307 million, with 3.1 percent; Japan, \$219 million, with 2.2 percent; and France, \$200 million, with 2 percent. Following in importance were the Netherlands, Sweden, Spain and Italy, with less than 2 percent each.

As can be noted, IED in Mexico come primarily from U.S. enterprises, which together account for two-thirds of total foreign investment.

Destination of IED: The activities in which they are placed are: manufacturing industry, \$7.33 billion, representing 73.6 percent of the total; financial firms, \$1.333 billion (13.4 percent); commerce, \$847 million (8.5 percent); mining, \$251 million (2.5 percent); construction, \$126 million (1.3 percent); transportation, \$36 million (0.4 percent); agriculture, \$25 million (0.2 percent); and other activities, \$8 million, representing 0.1 percent.

These figures reveal that IED are strongly concentrated on the manufacturing industry, an activity that accounts for nearly three-fourths of the total. IED are also considerable in financial firms and in commerce.

Since the manufacturing industry is the principal destination of IED, it is interesting to specify the types of industries where IED are placed. In this regard, the data tell us that the industry of metal products, machinery and equipment absorbs 40.2 percent of the total with \$2.949 billion; the chemical substances and products industry accounts for 32.7 percent with \$2.358 billion; the food, beverages and tobacco industry has 9.3 percent with \$685 million; nonmetallic mineral products have 5.5 percent with \$365 million; and the basic metals industry accounts for 4.6 percent with \$339 million. Following in importance are the textile industry and the leather, lumber, lumber products and other industries.

U.S. investments account for 64 percent of total IED in the manufacturing industry, followed by a wide margin by the FRG (7.7 percent), Switzerland (5.9 percent), UK (5.7 percent), Canada (2.8 percent) and Japan (2.7 percent). Investments from the Netherlands, Sweden and France follow these on a decreasing scale.

The story is repeated in investments on financial firms, where the United States stands out with 65.4 percent of the total, followed by the UK with 14.9 percent. Overall investments of these two countries represent more than 80 percent of the total in that sector.

Multinational firms: IED are part of the expansion of the big multinational firms of the more developed capitalist countries, especially the United States. Branches of these firms operate on a worldwide scale and, therefore, their investments in Mexico are part of their worldwide operation systems and of such monopolistic systems. Thus, it is not a case of investments from independent individuals who try their luck in our country. It gives IED a special character, which is quite relevant to the countries that receive such investments because a process of integration with international monopolies is produced, limiting independent economic decisionmaking. Furthermore, there are other harmful consequences when the amount of such investments is high and belongs so disproportionately to a single country (the United States) and when such investments are aimed at important activities as in Mexico's case. So, beware.

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CSO: 3248/452

PSUM DEPUTY WITHHOLDING STIPEND EXPLAINS POSITION

Mexico City UNOMASUNO in Spanish 3 Feb 84 p 4

[Article by Julio Hernandez Lopez]

[Text] Daniel Angel Sanchez Perez, a PSUM deputy, claims that he will not return the power of attorney document to his party so that his stipend can be collected and he can be given a minimal salary out of that. He criticizes the PSUM bureaucratic machine, asserting that party finances are "centralized and bureaucratized." He wonders aloud:

"Why do some have perquisites such as bodyguards and chauffeurs, while I have to sacrifice the most basic needs of my family?"

He is asked to explain who has bodyguards and chauffeurs.

"Who? Investigate. It's not hard to find out. They are called the security corps or something like that; but they're there; there are perquisites . . . I can say that I am a deputy with a lot of fighting in my district, and I want two bodyguards; or I might say that I can't drive because I injured my leg and I need a chauffeur. That leads to another kind of thing."

An attorney who left his practice in Apatzingan to serve as a multi-party deputy, the 44-year-old Sanchez Perez came originally from the Gascon Mexican Peoples Party. He goes on in his staccato speech:

"How are you going to work if they send you as a federal deputy to Tabasco or Campeche on a bus with 600 pesos in travel expenses? Where are you going to stay, what are you going to eat? Then people say, That's the deputy of the third most powerful political party in the country? When you are with the peasants, or speaking to the workers, and they see this kind of thing, they say you are a great revolutionary, but you aren't good for anything; you will not be able to do anything. The economic situation also cuts into the political work, as is only natural, but here we are at the stage of the Soviet Union's Communist Party during the days of Lenin.

Sanchez Perez has four children, three of whom are studying in Mexican universities and the fourth in the Soviet Union. In fact, he explains, he has to maintain his home in Apatzingan and support himself here in the nation's

capital, "in fleabag hotels, eating in greasy spoons," in addition to providing "consultation" to labor union and peasant movements. His salary as a deputy is 300,000 pesos, but actually the PSUM has collected his stipend through a power of attorney that all PSUM legislators were asked to sign. He ended up with only 60,000 pesos for a little over a year. He also has to work as a "legal advisor" to the PSUM delegation to earn another 24,000 pesos a month.

The deputy came to Mexico City on 4 August 1982, and promptly turned in his power of attorney to the PSUM. Then came "thousands of problems" in collecting his pay after the bulk of it was deducted for the party. In January 1983, the party was unable to give him either his Christmas bonus or his December pay. At that time, the familiar economic problems were on the rise. In March 1983, Sanchez Perez withdrew his power of attorney.

"I planned my work myself from then on, and I set myself to the task of serving as an adviser to party groups or answering the questions of those who wanted to join the party. I toured Campeche twice, Tabasco once, the southern coast of Jalisco twice, Zacatecas once, Durango once; all that in 2 months. At that time I would take my necessary expenses out of the stipend, and the rest went to the party."

First he was accused of acting with a "paternalistic" attitude with regard to his stipend, but then:

"There came a time when they realized that Florencio Jaimes, Dr Bonilla and I were out talking to groups, to the masses, because we are convinced that this should be a party of the masses; when they saw that this was reflected at the second PSUM Congress, they saw, I mean those of the former Communist Party, and they began to do things . . . And that is how things began to happen, with another guy here, another fund there . . ."

He does not agree with the management of finances in the PSUM and criticizes the party for living almost exclusively on the stipends of its deputies. Sanchez proposed that his alternate, Toribio Chavez, be called to occupy his seat, but the idea was rejected. Now, his position is clear: he will not return his power of attorney, and in any case, he personally will turn over 50 percent of his stipend.

What if the bylaws are invoked and he is expelled?

"That doesn't matter. I will go to another party of the left. I think we are giving more in the form of political work among the masses than we could give with money. Arnaldo Martinez Verdugo says that the electoral positions are a form of political coopting; what I say is that before the coopting, they should see how much money they are collecting from our stipends. I have not cost the party a cent. I can earn more in my office, so if they decide that, let them go ahead and expel me . . ."

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CSO: 3248/472

CLOSELY HELD PARTY DOCUMENT REVEALS PSUM FINANCIAL PROBLEMS

Mexico City UNOMASUNO in Spanish 2 Feb 84 p 5

[Article by Julio Hernandez, Ubaldo Diaz and Rene Delgado]

[Text] A report drawn up by the Secretariat of the Unified Socialist Party of Mexico (PSUM) Central Committee on that party's internal financial situation in 1983, which has been distributed to a select few, indicates that the majority of party members are "unconcerned" about party financing activities; the personal dues owed by affiliates "went practically unpaid," the national fund drive yielded only 5 million pesos instead of the 12 million expected, and thus 61 percent of the funds spent in 1983 came from deputies' perquisites and stipends.

In view of this financial situation, in which the PSUM manages to collect only 38.53 percent of what it spends on its own activities, five of the 13 deputies of the PSUM parliamentary caucus have refused to pay their dues to the party's economic control agencies: Daniel Angel Sanchez Perez, Raul Rea Carvajal, Florentino Jaimes, Pedro Bonilla Diaz, and Edmundo Jardon Arzate. They say they do not agree with the PSUM's economic policy and demand different financial planning for their party.

The internal report on PSUM finances states that "in 1983 little progress was made in political exhortation to convince party members to fulfill their financial obligations. People failed to understand the importance economic affairs have in our political activity, much less the advantage of having the PSUM generate most of its financial resources through its members, the workers and the people."

In 1983, it points out, the PSUM took in 71.5 million pesos, of which 43,957,509 pesos (61.47 percent) came from deputies' perquisites and stipends and 27,542,491 pesos (38.53 percent) came "from direct financial activities engaged in by the party and its central leadership organizations."

The 1983 budget, however, had called for revenues of 6 million pesos more (77.463 million pesos), and different sources: 58.43 percent from deputies and 41.57 percent from the party's own activities.

Such was not the case. "Dues were expected to bring in 12.6 million pesos, 16.26 percent of our total budgeted income, but hardly any dues were paid."

The national fund drive, whose target was 12 million pesos, brought in only 5 million, "and it was carried out almost exclusively by a handful of members of the Political Commission, the Secretariat and the Central Committee, who had been elected at the first PSUM Congress. The reason we did not meet our financial goals, therefore, is the party's failure to understand financial affairs and the unbalanced conduct of those affairs by the party leadership."

The PSUM document, which was released at a recent plenary session by the party Central Committee, stresses that despite the results achieved, "the country's crisis did not prevent major cores of manual and intellectual workers from providing economic support for the PSUM."

The report states that progress was made, on the other hand, "in implementing a better spending policy, and standards were established and applied in order to devote resources primarily to the development of our political influence among the working masses, to the growth and organization of the party, and to achieving solidarity in important popular struggles."

For the first time in the PSUM's brief history, its central finances were audited, real and personal property was inventoried, fixed assets were reevaluated, and "pertinent measures are being taken to rationalize the administration, to reorient the policy of the PSUM's undertakings, and to ensure that the latter yield significant financial support for the party's political activities."

The PSUM plans to bring in 129.894 million pesos in 1984 in the following manner: member dues, 27.54 million pesos (21.21 percent of the total); contributions from workers and supporters, 600,000 pesos (0.47 percent); revenues from PSUM enterprises, 13.8 million pesos (10.62 percent); trips and auctions, 6 million pesos (4.62 percent); donations, 7.2 million pesos (5.54 percent); and one day's pay from each of the 45,000 members, 7.65 million (5.83 percent).

The most important category is that of the perquisites and stipends of the parliamentary delegation, which totals 67.304 million pesos and represents 51.6 percent of budgeted revenues, considering only eight of the 13 PSUM deputies and estimating an increase of 30 percent in their income.

The budget for outlays for 1984 contains the following annual expenditures: 5.4 million pesos (4.9 percent) for support to party organizations and travel expenses; 2.4 million pesos (2.18 percent) for financial promotion, procedures, taxes and debt payments; 36 million pesos (32.67 percent) to underwrite the magazine ASI ES, communications, press releases, paper and printing materials, equipment and audiovisual materials purchases, propaganda mailing, design, maintenance of printing equipment and purchase of informational material; 1.8 million pesos (1.63 percent) for documentation, payment for research projects, dissemination, and the maintenance of PSUM study centers; 52 million pesos (47.19 percent) for administrative personnel salaries and professional fees; 7.2 million pesos for maintenance of transportation, sound and office

equipment, equipment rentals for party events, petty cash, fuel, rent and other service payments; 3.6 million pesos (3.27 percent) for national and international solidarity; and 1.8 million pesos (1.63 percent) for national assemblies and conferences.

8926

CS0: 3248/472

FORCED GOVERNMENT WORKER AFFILIATION WITH PRI CHARGED

Mexico City PROCESO in Spanish No 378, 30 Jan 84 pp 32-33

[Article by Elias Chavez]

[Text] Accused of forcing public servants to join the party on penalty of losing their jobs, the Institutional Revolutionary Party (PRI) last week began preparations for next year's elections, when the Chamber of Deputies will be elected.

The accusation was made on Wednesday 25 January at the rostrum of the Permanent Commission of the Congress of the Union, where National Action Party (PAN) Deputy Bernardo Batiz stated:

"The reorganization and regrouping of PRI is being carried out with impolitic, immoral and unconstitutional methods."

He went on to say that PRI is forcing middle- and higher-level civil servants and professionals and experts who work for the government and decentralized agencies to join the party. Anyone who does not sign an application to join PRI "receives a tacit threat that he will be considered an enemy of the system and will be frozen in his position, with the serious risk of joining the swelling ranks of the unemployed."

According to Batiz, this campaign by PRI is not only unconstitutional, but also violates the Universal Declaration of the Rights of Man, since "working for the government does not mean selling one's conscience or one's freedom, and nowhere in the world, except in countries under totalitarian regimes, are employees forced to belong to a particular party or embrace a particular ideology."

PRI Senator Manuel Ramos Gurrion repoded to the accusation by asserting that his party operates with the dues paid by its millions of members, among whom are peasants, workers and middle class people. He countered:

"Why not give us some more information, Mr Deputy," he said to Batiz, "about the way National Action supports itself, with the financial resources of Big Business, the Catholic clergy, by passing the plate in Church or at the Church exit . . . We could also talk about the contribution made to National Action

by the Catholic Association of Mexican Youths, the Potosi Civic Front, Integral Human Development, the rural population, the Association of Private School Students' Parents, the Circle of Studies of True History, the Mexican Civic Association, the Organization of Citizens in the Federal District, the Sonora Activist Youth, the Social Christian Union (linked to the Bavarian Christian Democrats, a branch of the Italian Social Movement), which is self-supporting and whose sources of financial support, Mr Deputy, are distinguished PAN members who come from the top echelons of business and the clergy. . ."

Batiz answered that the issue was not the way PRI supports itself, but the way it forces citizens, not just public officials but also workers and peasants, to join. He ignored the counteraccusation by Ramos Gurrion that PAN is financed by "Big Business" and the Catholic clergy.

But Mexican Democratic Party (PDM) Deputy David Orozco Romo did take exception to that accusation:

"I don't know," he said, "what National Action's sources of financing are, but among those cited by the senator, one does have a bearing on me, because I belong to a church, the Catholic Church, and he claimed that part of National Action's financing came from the collection plates passed around in church. He also said it comes from the Catholic Association of Mexican Youths, an organization I know. That statement is totally slanderous, and can be considered frivolous and groundless. You might argue that some priest here or there may sympathize with another party, but the Church does not finance any party . . . I would like to object to those assertions for the record."

The following day, Thursday the 26th, the PRI leader in the Federal District, Jaime Aguilar Alvarez, revealed that the membership campaign is part of an overall program that will culminate with the federal elections of 1985. He explained:

"The program is divided into membership, committee renewal, assemblies, surveys of political inventory and electoral training. Its purpose is to establish a well-oiled political machine for action and ideology that will handle not only the daily work of the organization, but also the electoral process of 1985."

The membership goal, he reported, is to increase the number of party members by 900,000. He estimated that at present in the Federal District there are between 1.5 million and 2 million PRI members. Although he could not say how much his correligionists have paid in dues, Aguilar Alvarez denied that membership by public servants is mandatory.

When he was asked if an official could continue working in government after refusing to join PRI, however, Aguilar Alvarez answered:

"No, that is not our decision as a party. I think that a government that emerges from a party should be made up of members of that party, which happens in all democratic systems. But that decision is up to the civil servants themselves, and the officials themselves."

PRONAL HEAD: POSSIBILITY OF TWO-TIER TORTILLA PRICING

Mexico City EXCELSIOR in Spanish 8 Feb 84 pp 1-A, 18-A, 19-A

[Article by Nidia Marin]

[Excerpts] Tortillas will not be rationed, but because the subsidy amounts to more than half the price of this product, and if this trend continues the subsidy will reach more than 100 billion pesos without guaranteeing the quality of the product, there are plans to ensure that the lower classes will be able to obtain subsidized tortillas while others must pay the actual price, stated Jorge de la Vega Dominguez, coordinator of the National Food Program, to the Senate yesterday.

With regard to milk, de la Vega Dominguez explained that large quantities of powdered milk are imported because supplies have fallen by 1 million liters per day in the last 3 years. He also noted that the National Company for Basic Commodities (CONASUPO) and the private sector rehydrate 1 million liters per day that will not be subsidized when sold. While the national dairy herd is being expanded, a policy of realistic costs and prices is being implemented and the timely delivery of inputs is being organized.

Undersecretary of Planning and Budget Maria de los Angeles Moreno reported that the target population of the National Food Program (PRONAL) consists of 30 million people in 1984, but preference will be given to 6.7 preschoolers and pregnant and lactating women in the central, southern and southeastern parts of the country, the most vulnerable areas.

De la Vega Dominguez and Undersecretary Moreno attended a breakfast meeting yesterday with the Senate Food Program Committee. The meeting was chaired by Senate leader Miguel Gonzalez Avelar, who stated that this plan could be "the touchstone to determine whether people and institutions in Mexico are trained and educated properly to go beyond the administrative or bureaucratic responsibilities incumbent upon each sector and agency, if there is enough ability, imagination, energy and humility to carry out the lofty task of feeding the people."

Tortillas, Milk and Others

During the question-and-answer session, de la Vega Dominguez answered a query from the senator from Colima, Javier Ahumada Padilla, stating that more than half the price of tortillas is subsidized, and that a very significant portion of the corn is imported. Corn millers are paid 7,200 pesos per ton, while on the free market it costs 22,000 tons, so continuing this high subsidy would incur a cost of over 100 billion pesos.

He indicated that the National Food Commission has one goal which is solid, viable and just: that lower-income Mexicans continue to receive subsidized tortillas—it is estimated that they number 6 million families—and that those who pay the actual cost should do so.

He explained it thus: "It is estimated that some 6 million Mexican families buy subsidized tortillas. In rounded figures, of those 6 million, 3 million would be able to pay the normal, actual, unsubsidized price. That subsidy could be transferred to another 3 million needy families that are not now receiving the subsidy. These families are usually located in depressed regions and are part of the underprivileged sectors of the population to whom it has not yet been possible to bring subsidized staples such as this."

How to do it? He described the problem as complex, and indicated that there is not yet any means to implement the project. He recalled, however, the identification card that was distributed to low-income housewives years ago for purchases of subsidized milk.

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CSO: 3248/460

CHURCH 'SOCIAL SECRETARIAT' REOPENS AFTER 15 YEARS

Mexico City EXCELSIOR in Spanish 18 Jan 84 pp 4-A, 10-A

[Article by Federico Ortiz Jr.]

[Text] The Mexican Social Secretariat (SSM), the organ of the Catholic Church's social doctrine which was founded in 1920 and came the brink of extinction after 1968 because of disagreements with the Church hierarchy, among other things, resumed its work last night with a posthumous homage to Father Pedro Velazquez, its last director. Father Velazquez, a doctor of theology with a degree in sociology, was called the apostle of the workers and peasants, and the apostle of justice.

In the old headquarters of the SSM at Roma 1, Colonia Juarez, which opened its doors once again last night, an auditorium bears the priest's name, and his portrait was unveiled by representatives of workers and peasants who presented a eulogy to his life and work.

His brother, also a priest, Manuel Velazquez, attended the ceremony, as did Carlos Salgado Castillo, coordinator of the workers' groups; Father Francisco Merino, who blessed the meeting room and the offices; and various members of the groups that Velazquez founded. He died in this city on 10 December 1968.

The audience listened to a program depicting the history of the Mexican Social Secretariat and the life of Father Pedro Velazquez in which the administration of President Lazaro Cardenas was praised and the models for developing the country set forth by the administrations of Presidents Gustavo Diaz Ordaz, Luis Echeverria and Jose Lopez Portillo were criticized. The program was put together by laypersons belonging to the Secretariat.

When Father Pedro was named cooperative vicar of the parish of San Antonio de las Huertas in the neighborhood of Santa Julia in 1939, he began his crusade for justice, human dignity, and the defense of the workers. He also founded various organizations, including the Young Christian Workers, and was spiritual assistant of the Young Mexican Catholic Women and Catholic Action.

Along with Father Rodolfo Escamilla (who was murdered in his office on Calle Frontera without the case being solved to date), he inspired young Catholic workers to hold a world congress in Mexico, which was chaired by

Cardinal Cardijn of Rome. Father Velazquez took courses in labor law at the Lombardo Toledano Workers University, and also classes in economics and humanism at La Tourette in Lyon. He traveled to many countries to study workers' movements.

He wrote some works, including "Poverty in Mexico, Terra Incognita!" which was conceived as an introduction to social action. It contained information about the country's most noteworthy social problems of the time, and proposed social education and collective organization as ways of dealing with these problems. After the success of that book, he decided to continue writing about social problems.

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CSO: 3248/428

ARCHBISHOP DENIES PROVOCATIONS BY CHURCH

Mexico City EXCELSIOR in Spanish 13 Jan 84 p 35-A

[Article by Francisco Santa Cruz]

[Text] Hermosillo, Sonora, 12 January—"The Church does not provoke confrontations with the government; it simply tells the truth to Christians to provide guidance in this troubled world," claimed Carlos Quintero Arce, Archbishop of Sonora, today.

"Nothing in human affairs is unrelated to the Church," he said, after indicating that "sharing the anxieties and hopes of the people is one of the obligations bishops have as spiritual guides."

Quintero Arce announced that from 16 to 20 January five bishops from three entities in the country will meet in this city to analyze the new Church laws and "the current situation in general, on all levels."

He denied that this meeting represents any intervention by the clergy in politics, and stressed that the Church is not trying to provoke confrontations with the government.

The Church official stated that there is a desire for a full understanding with the government; the goal is to serve the people better. "For that reason," he said, "we are emphasizing the defense of their rights, such as the right to life and the right against abortion, because it can never be legal to snuff out a life. We are also struggling for respect for the right to vote and against the persecution of people who think differently. But of course we will never come out in favor of one party or another."

8926

CSO: 3248/428

BISHOPS DENOUNCE GOVERNMENT CORRUPTION AT HERMOSILLO MEETING

Mexico City EXCELSIOR in Spanish 19 Jan 84 pp 4-A, 16-A

[Article by Francisco Santa Cruz M.]

[Text] Hermosillo, Sonora, 18 January—The Church is fighting administrative corruption in the government, stated five bishops here during the Episcopal Meeting of the Northwest, held at the Social Communication Center of the Archdiocese in this city. They also stated that the only beneficiaries of Mexico's economic boom were a few people who took their money to Switzerland, and officials who unjustly saddled the people with debt.

They said that a moral renewal should be understood as a change in mentality so that at all times material structures can undergo change.

The government's policy should be revised drastically to meet the country's urgent needs, to avoid useless confrontations during the 1985 elections in that institution, and to attain social peace, claimed the bishops from La Paz (Gilberto Balbuena), Tijuana (Carlos Barlie), Ciudad Obregon (Luis Reinoso) and Hermosillo (Carlos Quintero Arce).

They added that the cause of the unstable economic situation "is the lack of true Christianity, and it is very common to find increased paganism, speculation, constant thievery, corruption, conspicuous consumption and unjust enrichment.

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CSO: 3248/428

BRIEFS

TAX INCREASES AFFECTING FOREIGNERS--If he is a foreigner, let him pay more taxes. That is the new philosophy of the Mexican Government since 1 January through the Federal Duties Law on matters of taxes and immigration fees. In some cases, such as issuance or extension of student immigration status, the rate has risen up to 4,900 percent. A political refugee, who until December 1983 paid 600 pesos annually, now must pay 9,000. The Secretariat of Finance based the noteworthy tax increase on the need to adjust the cost of providing the service and on rising costs of other services. The new fiscal measures set the following rates, among others: Visitors, with many arrivals and departures, authorized to carry out profitable activities stipulated for the immigration status known as FM-3, will pay 15,000 pesos; political refugees, 9,000; and students, 15,000. Foreigners with immigrant status (FM-2), including annuitants, investors, professionals, positions of trust, scientists in profitable activities, technicians and families of the applicant, will pay 20,000 pesos. A visa fee of 30,000 pesos will be paid for migrant status in the different categories. Here is an example: a family consisting of parents and four children has 45 days from the date that requirements are established to pay 180,000 pesos to validate its immigration status. [Mexico City PROCESO in Spanish No 378, 30 Jan 84 p 34] 9925

CSO: 3248/452

MIPLAN VICE-MINISTER EXPLAINS 1983 ECONOMIC GROWTH

Managua BARRICADA in Spanish 27 Jan 84 p 3

[Interview with Nestor Avendano, vice-minister of planning]

[Text] Without attempting to study in depth a topic as vast as the problems and achievements of the economy in 1983, BARRICADA did speak with the vice-minister of planning, Nestor Avendano, discussing the causes and meaning of the 5.1 percent economic growth rate reported in 1983.

We call the reader's attention to the fact that, while factors such as the worldwide economic crisis and its repercussions on all the countries of Latin America, and the Reagan administration's military and economic aggressions against our country are not discussed in an explicit manner in this interview, in reality they are a part of the difficult context surrounding the economic situation in 1983, and these factors are still present in 1984.

The text of the interview follows:

Question: How can you explain Nicaragua's economic growth of 5.1 percent in 1983 over 1982?

Answer: There are three principal factors explaining this growth: agriculture, construction, and international solidarity. Let's look at these factors separately. Agricultural activity increased by 14.3 percent. This was due primarily to the increase of 25,000 "manzanas" [land measurement] planted in cotton. This year this means an additional \$27 million in our cotton exports.

Secondly, construction increased at a rate of 7.6 percent, because of improved management, increased efficiency in the use of machinery, and the addition of new equipment. This

increase in construction then triggered growth in the building materials industry, which grew at a rate of 23.2 percent.

Finally, international solidarity on the part of the socialist and European nations and on the part of Mexico, which continued to cooperate with our petroleum supplies. This enabled us to obtain donations that totaled \$78 million. These gifts were especially helpful in maintaining our production of semi-finished industrial goods, so this aid had a qualitative impact on our economy. Of course, we did have serious foreign currency problems, which will continue to affect us in 1984. And I can't tell you that the growth factors responded to our needs for supplies of consumer goods for our people.

Question: In the case of industry, how did the sector producing food and basic commodities behave?

Answer: Industrially processed foods declined in relation to 1982 by 1.1 percent. In other areas, such as clothing and footwear production, there was a 3.9 percent growth, while the production of drinks and tobacco increased by 6.8 percent. In reality, per capita consumption of basic commodities of industrial origin could not be maintained at 1982 levels. The increase was less than the rate of population growth, and although the industrial sector as a whole expanded by 4.6 percent, this was not reflected in consumption, but rather in the dynamism of businesses that produce semi-finished goods.

Question: You have already mentioned the stimulus given to agriculture by cotton, but what happened in the case of other products?

Answer: The production of practically all our agricultural exports, with the exception of coffee, increased in relation to the 1982-1983 season. This is true not only for cotton, but also for sesame seed, sugar cane, and Havana tobacco. The cutback in the coffee harvest was caused primarily by the natural behavior of the coffee production cycle. You have to remember that the previous harvest produced a record volume of 1,568,000 quintals [100-pound weight]. This year, when we were again hurt by military aggression, a harvest of 1,136,500 quintals is expected.

Question: And what about basic grains?

Answer: The situation in that case is different. We can say we had a relative growth, because we increased the area planted: from 508,000 "manzanas" in 1982-83 to 548,000 "manzanas" in 1983-84. But we still had to continue importing rice, corn, beans, and sorghum to meet our growing internal demand. One factor that hurt production was the drought at the start of the growing season.

Question: Was there any expansion in other sectors, such as livestock production, fishing, and mining?

Answer: Livestock production remained essentially at 1982 levels. We had a slight increase in the number of cattle slaughtered, but there was a decline in poultry and pork production.

Fishing was particularly hard hit by counterrevolutionary activity and by maritime provocations along the Atlantic coast. In addition, we had foreign currency problems that restricted our purchases of parts for our fleet. There was no increase in production in our mining industry, though our lumber production did increase to meet the demands of the construction industry.

In summary, this sector which we call the primary sector (agriculture, livestock, mining, fishing, and wood production), which accounts for 50 percent of the production of goods in Nicaragua, increased by 9.5 percent. Added to the expansion in industry, construction, and services (primarily health care and education), this caused our economy to grow at a rate of 5.1 percent.

Question: What does that mean in real terms for the people, and how should we interpret it?

Answer: It means our productive system is moving ahead in order to achieve a greater expansion over the next 5-year period. This is qualitative growth which, among other things, supports the investment projects that the revolution has created. In 1984, for example, 52 percent of our national investment is earmarked for the productive sector, while another 30 percent is concentrating on our economic infrastructure (energy, roads, bridges, etc.).

We say that this is a capital investment in the future, because we are accumulating capital which we can not spend now. For the objective of the revolution is not to provide a high standard of living today, at the expense of future development. And we must

say that our people have paid a heroic social cost in order to improve their living conditions in the mid-term period.

Question: What objectives had been set for the economy in 1983?

Answer: They can be summarized as follows. We gave priority to maintaining the levels of per capita supplies of basic commodities and defense-related production. We also planned to increase our exportable production, maintain basic social services, move ahead in the development of construction as the center of the investment program and a generator of jobs, to increase our production of raw materials and resources--in order to decrease our dependence on imports--and to achieve greater social control over the distribution of basic commodities.

For example, take the case of exports: their volume increased by 9 percent, but the purchasing power of our products--which may be considered Nicaragua's real wage in relation to the rest of the world--declined by 4.4 percent. This unfavorable situation--a price increase in imports and a decline in export prices--meant that we lost \$253 million.

As I have already said, we made advances in the production of semi-finished goods and in construction, but we were unable to maintain the same per capita supply levels that we had in 1982. A number of factors were responsible for that situation, such as currency restrictions for that sector of industry, the drought, and agricultural problems affecting our production of basic grains. In addition, the population increase and the impact of income-redistribution policies, such as the expanded distribution of essential goods to population groups which previously had no access to these goods, have substantially increased demand.

In addition, we were not able to achieve a high degree of social control over distribution. This is a responsibility that does not belong solely to MICOIN, but also to mass organizations, and we are going to continue working to achieve that objective in 1984.

But despite our problems with supplies, the revolution has continued to boost vital services such as health and education, which are necessary for the people's well-being. The number of students in school increased by 13.2 percent over 1982. In health care, 6.6 million consultations were given; this

averages out to 2.17 consultations per inhabitant. We continued our polio-eradication program, and we have substantially expanded maternal and infant health care programs.

Question: What does 1984 look like?

Answer: Like 1983, it will be a very difficult year. The shortage of external resources forces us to be very careful in spending our foreign currency. We must give preference to sectors which contribute to our development and to the satisfaction of basic consumer needs.

It is possible that we may have temporary shortages of some basic commodities. We must ensure the supply of raw materials to the industrial sectors producing these goods, and make headway in our social control over distribution.

Nor can we forget that the military, economic, and financial aggressions against Nicaragua may cause a decrease in our high-priority materials production, and force us to transfer productive resources to defense.

In 1984 we must continue to expand the nation's development in order to go on achieving our economic independence. That is a job for all our people in the mid and long-term period, and for now, we must try to maintain the 1982 per capita supply levels. This means that we are going to have to tighten our belts.

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CSO: 3248/437

MICONS ASSESSES RAILROAD, SALT INDUSTRY PROJECTS

Managua BARRICADA in Spanish 30 Jan 84 p 6

[Article by Leonardo Barreto]

[Text] In Region II alone, the ministry of construction plans to undertake projects valued at over 397 million cordobas. These six economic development projects range from construction of the Chinandega Hospital, which has already been begun and will cost 65 million, to a foundry costing 96 million cordobas, Comrade Ricardo Melendez, vice-minister of MICONS [Ministry of Construction], told BARRICADA.

Comrade Melendez said that they propose to reach an 80 percent level of technical availability of the equipment required for these projects. This may be made possible through the creative efforts made by the workers and through proper maintenance of the equipment, despite spare parts shortages, resulting from Nicaragua's lack of foreign currency.

The vice minister made this statement after making a working visit, accompanied by a BARRICADA reporter, to the construction site of the new railway which will link Corinto with Chinandega, and to the SALINSA salt works development, in order to check on the work plans and the labor conditions of the workers on these projects.

SALINSA, a Region II project, is being sponsored by the COIP [People's Industrial Corporation] and by the ministry of industry. Its objective is to replace Nicaragua's industrial salt imports. The construction cost will be 80 million cordobas and it is expected to be completed this year, and to begin salt production in the summer.

finished this year; it will cost 50 million cordobas. Four bridges and an embankment in Paso Caballos will have to be built for the railway line. This construction has been begun, but was temporarily halted in order to complete hydrological studies.

Another of the MICONS projects in Region II, also for the MIND-COIP [Ministry of Industry], is the CARTONICA building with an area of 20,000 square meters, at a cost of 80 million cordobas, and a 4-month time schedule. The preparatory school of the UNAN [National Autonomous University of Nicaragua] in Leon will cost 26 million cordobas. Construction of the foundry is to begin this year. This project is designed to replace imported spare parts. It will begin in May 1984 and will also include a machine-tool shop.

The agricultural project, PAGRONICA, now in the initial phase of its second stage, is a rice-production plan covering 12,000 hectares. At present a 600,000 cubic meter dam is under construction. This dam will regulate the entry of irrigation water. There will also be canals and roadways. This project requires a productive investment of 96 million cordobas.

Large-Scale Projects

In the projects we visited, we could see the magnitude of these undertakings. The SALINSA project is of strategic importance, since the salt works will produce 50,000 tons a year of salt with a quality capable of replacing 100 percent of our salt imports, both for the industrial production of sodium chloride and for other types of consumption.

The salt works is located 22 kilometers southeast of Leon, and the earth movement necessary will cover 40 hectares. There will be a volume of 1,180,000 cubic meters in the water circulation and crystallization area, in one of the places with the highest salt concentrations in Nicaragua.

The first phase of the railroad is equally impressive, and no less important for the development of Region II and of the rest of the nation. It was begun at the direction of the JGRN [National Reconstruction Government Junta] in mid-July 1983, and it has had some problems with organization and a lack of resources. These problems were resolved by the second half of November, and now 40 percent of the railway has been completed. The first 10.8 kilometers of track should be completed by August 1984, and the embankment and its crown in Paso Caballos, which will measure 22 meters in width, will be ready in July 1984.

ACCOMPLISHMENTS, PLANS OF TOBACCO PROGRAM OUTLINED

Managua BARRICADA in Spanish 30 Jan 84 p 2

[Text] Tobacco: Foreign Currency, Permanent Employment in Future

It is no secret that the country has major problems in obtaining the foreign currency it needs to import goods. The military and economic aggressions against us and the stagnation of the world economy with its low prices for our traditional exports have led the government to seek new ways to obtain foreign currency. One is to export yellow tobacco, particularly Burley tobacco.

Growing and exporting tobacco are nothing new for Nicaragua. Tobacco is native to Central America and has been grown for export at least since the days of Sandino. Nicaragua has exported large quantities since the middle of the 1960's.

What is new is that the revolutionary government, in order to insure the foreign currency we will need in the future, is encouraging tobacco growing under a completely revolutionary social framework, different from the way it was under Somozism. There are new markets and forms of production. Now the profits from tobacco will go for the needs of the country, not to enrich the Somozas, the Molinas and a small group of Batista's Cubans.

Another major difference is in quantity. The National Burley Tobacco Project plans to increase the production of yellow tobacco so much that it will compete with meat and sugar to be the top export after coffee and cotton. The plans are to plant more than 10 times the current area of tobacco in the country.

The LUNES SOCIO-ECONOMICO this week is devoted to examining tobacco growing, its past, present and future. Along with other national investment projects like the Tipitapa-Malacatoya Sugar Project, the National Livestock Plan, the Coffee Transformation Project, etc., the National Tobacco Project represents a vital step in our future development.

We can state in general that the future of the national economy as a whole is now being determined by the National Office of Investments. The importance of the different economic sectors for the next 5 or 10 years, the economic development of the regions, the employment structure and other factors depend on what investments are made today and where.

National Tobacco Project

The chances of expanding the production of Havana Tobacco were very limited due to marketing problems and the possibility of a blockade of our exports by the main tobacco purchasers, the United States and Honduras.

Therefore, the offer made in solidarity by the Republic of Bulgaria to buy large quantities of Burley tobacco for cigarettes at the prices on the world market is very important. These prices are favorable for Nicaragua and they should even improve in the future.

The great increase in national tobacco exports has been aided by access to this new market, made possible by the government policy to diversify relations with different regions of the world.

Yellow tobacco will not only be planted for national consumption. The planted area will be increased to 8,500 manzanas in 1989 (some planted twice a year). At current prices, this would mean some \$70 million more from annual exports of yellow tobacco, making tobacco one of the most important national exports.

Tobacco crops are distributed in four regions of the country: one is in Las Segovias (region I) and the other three in Pacific regions (regions II, III and IV). Since tobacco provides many jobs, areas with a greater need for employment were chosen to plant Burley tobacco: for example, Somoto in Madriz; Limay in Esteli; and Santa Rosa, La Flor and San Isidro in Carazo. The possibility of permanent jobs for the inhabitants of these communities should have a profound social impact and improve their income. The tobacco project already created hundreds of new jobs in this area this year. It is expected that it will generate a total of 11,000 permanent jobs and 5,000 temporary jobs by 1989, not including indirect jobs in services, transportation, etc.

In some places like the Benjamin Zeledon Sugar Mill in Rivas and the Toro Blanco State Enterprise in Chinandega, tobacco provides work for cane and cotton workers in the months when they would otherwise be unemployed. This combats the historic problem of "dead time" that those workers have always had.

The project as a whole is one of the largest projects in the history of the country. It will cost more than 2.1 billion cordobas in its first 6 years of operation. This will be financed partly by the Bulgarian Government and partly with national funds and tobacco sales themselves.

A special national enterprise CATRA [Agrarian Reform Tobacco Agroindustrial Complex] was created to handle the project in all four regions where the tobacco will be planted. Although most of the tobacco will be planted by the APP [People's Ownership Sector], there are also many cooperatives in Esteli, Madriz and Nueva Segovia that will plant tobacco for the first time.

The importance of having such a profitable crop as yellow tobacco in the hands of the state and the cooperatives lies in the fact that the surpluses generated by these exports will be available for the needs of the people, particularly the tobacco workers. Many of them do not have roads, health centers, supplies and other essential services.

The land where tobacco is being planted was irrationally used before this project. Good land which only needed infrastructure or irrigation was being used for livestock or to produce basic grains in traditional form. Somoism was never interested in developing that land or making the necessary investments to benefit the country. Also its subordination to the United States did not permit it to take advantage of favorable markets in other parts of the world.

The project began in 1983. CATRA planted 620 manzanas of Burley tobacco and earned more than \$2.5 million from it.

The production area should increase to 3,783 manzanas in 1984 with planned revenue of \$18 million.

Area to be Planted with Burley Tobacco in Tobacco Project

<u>Region</u>	<u>1983</u>	<u>1984</u>	<u>1989</u>
I. Esteli, Nueva Segovia, Madriz	150	1,753	3,000
II. Chinandega	200	700	
III. Managua	120	445	5,500
IV. Carazo, Rivas	150	885	
Total	620	3,783	8,500

1. 1983 refers to manzanas planted; 1989 refers to manzanas that can be planted twice a year.

2. Preliminary data from completed planting.

Source: AGRO-INRA

Naturally, such a bold and new project encountered several problems in its first year of execution. It was hard to supply the wood needed to hang the tobacco. There were more diseases than expected, partly due to the inexperience of the plant technicians. In some places there were irrigation problems or problems getting workers at cutting time.

They have learned from these problems. The project includes an enormous plan for training workers and technicians. This is especially important in the Pacific regions where the technicians do not have experience with tobacco.

The semi-industrial processing of tobacco leaves will be done this year by TANIC [Nicaraguan Tobacco Company, Inc.]. A new factory will be built in 1985 as part of the national plan to promote the industrialization of our agricultural-livestock products.

The National Tobacco Plan represents a chance to exploit new favorable markets, obtain foreign currency, provide employment, develop new production relations, improve working conditions, train the labor force, develop the more isolated zones like San Juan de Limay, Somoto and La Vigia, promote industrial processing and give optimum exploitation to existing land.

There will surely be more problems and difficulties at the beginning, especially due to foreign aggression and the national legacy of a long process of underdevelopment. Tobacco is definitely part of our future, the Sandinist future. To know this means to know our country and its economy and to be one step closer to being able to participate in decision making.

Tobacco Development in Nicaragua

Tobacco is an old crop for Nicaragua; it predates the arrival of the Spaniards. At the beginning of this century, "Chilcagre" chewing tobacco and Virginia tobacco for cigars were planted in several parts of the country. The tobacco crop was so important that the General of Free Men, Augusto C. Sandino, made the following precondition to a pact with General Moncada in 1929: "Tobacco growing and sales in the republic must be declared open."

A multinational corporation with British capital, British American Tobacco, was known here as TANIC. It processed tobacco more than 30 years ago and bought three national cigar factories in 1952. It had a monopoly over tobacco production and sales in the country. With this monopoly, directly aided by the Somozist system, TANIC became fabulously rich.

TANIC used yellow, Burley and Virginia tobacco for the production of cigarettes for national consumption. INFONAC [National Development Institute] was the first to promote the production of dark tobacco for cigars for export. Under INFONAC the production of dark tobacco increased quickly between 1963 and 1970.

Although Somoza participated in TANIC, INFONAC practically functioned directly under Somoza and his partners. With Rene Molina and a group of Cuban counter-revolutionaries who left Cuba after the victory of the Cuban Revolution, Somoza contracted all the production of dark tobacco to his farms in Jalapa, Condega and Esteli and obtained fabulous profits.

The workers on these tobacco farms, many of them women and girls, lived under the worst conditions. The "Cubans" were known for physically abusing their workers and the repression of the Guard in these areas was especially harsh. The workers were only permitted to join the "white unions," the CUS [Confederation for Trade Union Unity] and the CTN [Central Organization of Nicaraguan Workers].

Tobacco Under the Revolution

With the triumph of the revolution, 100 percent of the dark tobacco production went to the APP. Also the two national cigar factories, Cubanica and Nicaragua Cigars, went to the state. Yellow tobacco for cigarettes continued to be produced by small producers under contract to TANIC.

The two state enterprises that produce dark tobacco are the Oscar Turcios Enterprise and the Laureano Mairena Enterprise. Both are located in Region I, Las Segovias, and employ 2,300 permanent workers and about 1,200 temporary workers. In 1981 the country received about \$3.7 million from the export of dark tobacco in cigars and leaf tobacco.

Basic Data on National Tobacco Production

<u>Product</u>	<u>Area in Manzanas</u>	<u>Producer</u>
Dark tobacco	1,076	APP
Yellow tobacco	998	Small producers under contract to TANIC
Total	2,074	

Number of workers (dark tobacco): 2,300 permanent; 1,200 temporary
National production (1981): 60,661 quintals
Exports (1981): \$3,695,531
Source: National Tobacco Project

Although the working and living conditions of the tobacco workers have improved, there is still much to be done. The dark tobacco production enterprises have faced market problems, labor productivity problems and military aggression.

Cigar sales in the United States were made under the trademark "Joya de Nicaragua." The owners of this trademark were the Cuban worms who controlled production under Somozism. In the period between May 1982 and May 1983 alone, counterrevolutionary attacks caused more than 72 million cordobas in losses at the Laureano Mairena Enterprise. Its crops are mainly located in Jalapa.

These problems, however, are being solved through the willingness and combativeness of the workers themselves. They have converted the Jalapa zone into a national symbol of defense and production. In spite of the attacks, productivity has been increasing and alternative markets are being found for our cigars.

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